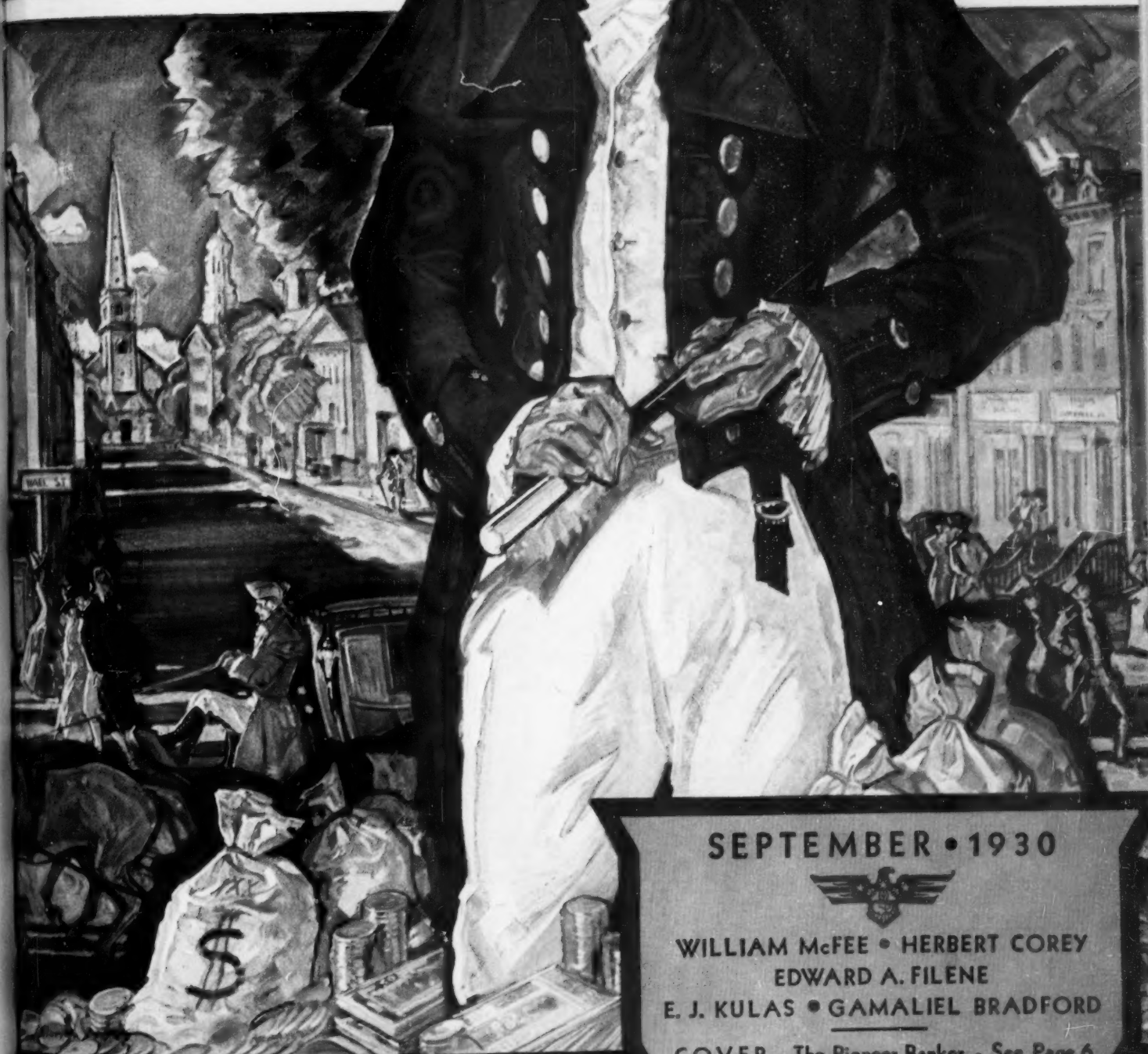


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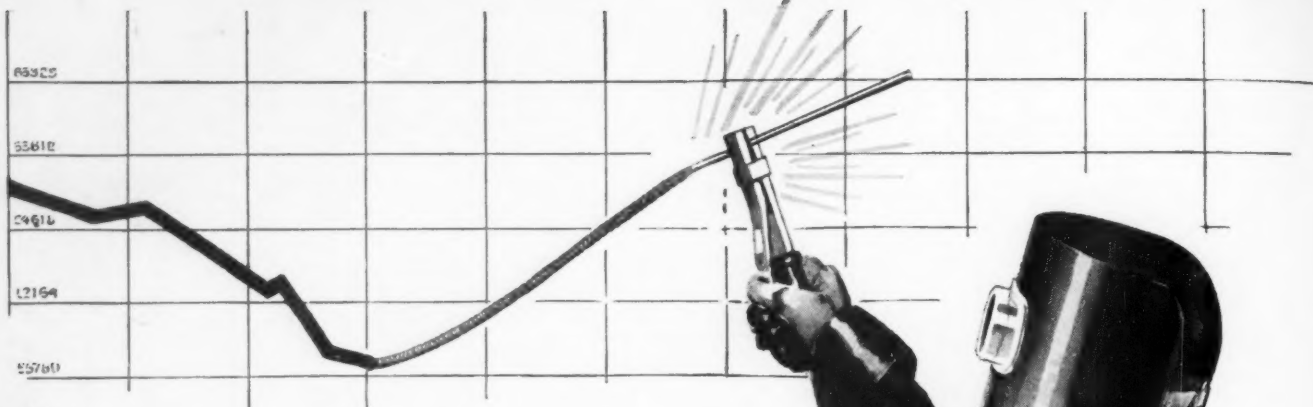
SEPTEMBER • 1930



WILLIAM McFEE • HERBERT COREY
EDWARD A. FILENE
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COVER • The Pioneer Banker • See Page 6

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NATION'S BUSINESS for September

VOLUME 18



NUMBER 10

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Next Month's Authors

CAN the fact that silver is now worth only 35 cents an ounce seriously affect world trade? John Hays Hammond, with a broad knowledge of the world and its peoples, believes it may. He believes that a higher value on silver would mean enlarged markets in many parts of the world. He explains his reasons for this view in the October NATION'S BUSINESS with an article that provides a broad education in economics.

James A. Farrell, president of the United States Steel Corporation, has remained outside the limelight so consistently that he is perhaps one of the least known business leaders of the country. Oscar King Davis has written a story about him. It is a human interest story but it is more. He has learned Mr. Farrell's philosophy of business. It is the philosophy of a man who left school to get a job at \$2 a week to help his mother and whose life has been as dramatic as that of any prominent figure in American life today.

Other writers in the October number include Senator Couzens, Harrison E. Howe, editor of Industrial and Engineering Chemistry, and C. E. Kenneth Mees, Director of Research Laboratory, Eastman Kodak Co.

THIS MONTH'S COVER

Painted by Charles De Feo

NATION'S BUSINESS dedicates this cover to the Pioneer Banker who, by his calmness, his intelligence and his courage, nurtured a feeble young nation that it might grow to become the richest country the world has ever known.

The soldier had done his work. The pioneer went bravely forward, entrepreneurs looked longingly at the wealth of vast natural resources that would justify the soldier's bravery and make worth while the privations of the pioneer. But those resources could not be procured without initial investment for tools, for wages, for transportation and the new nation had little credit and less money.

It was the pioneer banker who rose to this emergency.

He made mistakes, as all men make mistakes, but he remained steadfast as railroads plunged toward the West, as mines were sunk to produce metals and the coal to work them, as a wilderness became a garden. Out of the efforts of the pioneer banker grew the great credit structure that is today the foundation and bulwark of a nation.



The Rain of Laws

WE TALK a good deal about over-production of commodities, yet few of us are concerned to question "the rain of laws."

It was in 1914 that W. D. Parkinson wrote in the *Atlantic Monthly* "the day of universal law has arrived." He who reads must run if he would escape the deluge of it, he said, and he who runs must read if he would keep up with the changing phases of it. And certainly it is readily apparent that the volumes of what is bidden and what is forbidden could hardly make a beginning on the modest dimension of Dr. Eliot's familiar five foot shelf.

Indeed, it would be easy to believe that the periodic flow of legislative "do's" and "don'ts" amounts to a national mania, and that the American people are staggering along under a burden of laws which would restrict all liberty were it not for the fact that laws are violated.

That there is exception to this view is attested in a statement made by Professor Bramhall of the University of Colorado. For the sake of argument he accepts a current estimate that 75,000 bills are introduced every biennium, and that 18,000 of these bills become law.

"The usual implication," says Dr. Bramhall, "is that there are 18,000 new ways in which the liberty of the individual to do what he pleases has been impaired by law. That is, of course, arrant nonsense. Only about 400 of them will apply in any one jurisdiction . . . if by legislation is understood, as it usually is, and as the deluge criers mean it to be, rules of conduct imposed by the State on people in general, how many of the 18,000 are legislation at all? The answer according to competent students—and you can verify it from your own session laws—is pretty certainly not more than 2 per cent."

The rest of them he points out, are acts dealing with appropriations, or acts dealing with the powers and duties of state and local administration. "In the United States," he adds, "it is probably on the safe side to estimate that on the average during each biennium in each jurisdiction eight or ten statutes are en-

acted which actually impose restraints on the freedom of action of the private person."

Reasoned and temperate as this judgment stands, its chief service is in its suggestion that the rain of laws is not so heavy as is widely assumed. Complete acceptance of Dr. Bramhall's conclusions qualifies rather than obscures the impression that "we have a welter of duplicate, contradictory and badly worded statutes on the books, and that there still is an exaggerated faith in the power of legislation to regulate human society."

As Parkinson so clearly saw, it is impossible for the legislators, as a body, to scrutinize with any care such a mass of bills as every legislature enacts at every session. And equally it is impracticable for the public spirited citizen to attend the hearing and protest a fraction of the foolish and dangerous bills that, if enacted, would affect interests with which he is conversant.

Not only is the responsible citizen thus at the mercy of the irresponsible and self-constituted law promoter, but the tendency of public spirited organizations, which, like the prophets of old, are often more representative of the State in its better nature than are its duly constituted official bodies, is to frame legislation in specific instead of general terms, and thus to make the laws both more numerous and more complex.

Twenty-five years ago A. C. Coxe declared in the *Columbia Law Review* that "it would be a conservative estimate to assert that Congress and the legislatures of the 45 states turn out an annual grist of 14,000 laws." Add to that output, he said, "the fact that the appellate tribunals alone, state and Federal, are uttering about 20,000 decisions annually, a large proportion being interpretations of *leges scriptæ*."

And in a quarter of a century the annual production of laws has grown from 14,000 to 18,000.

On such a showing it is becoming more and more difficult to avoid the feeling that "the American people are either exceptionally unruly or that the maxim 'the best government is that which governs least' has been wantonly ignored."—R. C. W.

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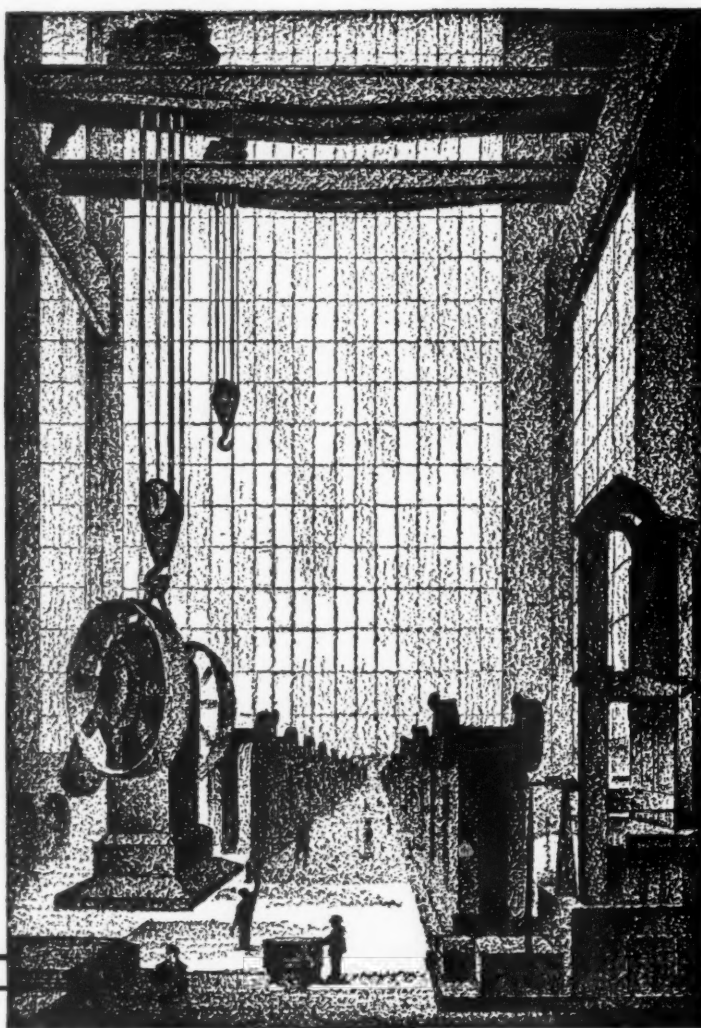
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NATION'S BUSINESS



Published at Washington by the Chamber of Commerce of the United States

MERLE THORPE, Editor

As the Business World Wags

THUS WE MAY SEE, QUOTH HE,
HOW THE WORLD WAGS—*As You Like It.*

A Promise of Better Things



THOSE who scan the horizon for signs of better business found comfort in the recent statement of the finance committee of the United States Steel Corporation.

The Corporation is acting at 63 per cent of capacity and says the committee "indications in the industry point to an increase in this rate of operations during the balance of this quarter with an improvement in volume during the last quarter of the year."

Steel means automobiles, buildings, bridges, farm machinery—in fact the whole fabric of industry depends upon it.

If the Steel Corporation goes ahead, all business goes ahead and when one reflects that the committee just quoted includes such men as J. P. Morgan, George F. Baker, Senior and Junior, Thomas W. Lamont and James A. Farrell, he is bound to believe that the statement is based on a sound understanding of what is going on, and a keen vision of what is to come.

What Is Gen- eral Business?



SO MANY pessimistic things have been said about the loss of business confidence that it is a little startling to discover a faith that does not need restoration. In voicing his

own abiding belief the president of the Studebaker Corporation has done a timely service to the public as well as to his industry. By way of prelude to a vigorous expression of his practical optimism Mr. Erskine asks, "What is this mysterious specter 'general business'?—Nothing more or less than the sum total of a great many individual businesses. General business is good when a sufficiently large proportion of individual businesses are good."

Castigation rather than compassion resides in his charge that "the greatest deterrent, the most vicious obstacle to recovery has been the attitude of most business men. They have been following the forecasters, wistfully waiting for that mysterious entity, 'general business' to assert itself. What is needed is more individuals working in an intelligent and aggressive man-

ner to make their own businesses prosperous." Confirmatory evidence of the improved position of business sentiment is apparent in the recent announcement of the R.C.A.-Victor Company that it would increase its manufacturing schedule. When commenting on the engagement of seven thousand additional employees President Shumaker is reported to have said, "Millions are being put into increased production in the belief that the present depression is psychological, and a false indication of the American public's buying power."

Wanted: Mass Consumption



THE virtues of "mass production" have been drummed into the ears of American business for many years. "Mass distribution" in turn was hailed as a saviour. The manufacturer would produce in great quantity at low cost, the mail-order house and the chain store would distribute in great quantity at low cost—and all would be well with the world.

We're learning just now that what is really wanted is "mass consumption," more men and women to buy more things and to buy more things they must have first, the desire and, second, the money to satisfy that desire.

Much of industry's efforts to create new markets is directed towards making a consumer change his habits,—to get A to put off his cotton shirt and put on a silk one while B is being urged to substitute cotton for silk. What industry really wants is that C who has no shirt should want one and find the means with which to buy it.

It is that form of consumption—that raising the standard of living—whether it be in the United States or Europe or China that means the continued good health of business.

The Government and Textiles



PASSAGE by the Congress of the bill creating the Textile Foundation has centered attention on the means of planning and administering the research which the measure is intended to foster. The purposes of the Foundation, as set forth in the act, are "to administer and expend its funds and other property for the scientific and economic re-

search for the development of the textile industry, its allied branches, and including that of production of raw materials."

A fund of nearly \$2,000,000 is available for this research by reason of the sale of German dyes allocated to the United States in the peace negotiations. Sales to American consumers were made through the so-called Textile Alliance, a War-time agency, and the money paid into the Treasury, with the understanding that it should eventually be used as the Congress might direct.

Not the least of the questions raised with regard to the new Foundation is the possibility of its exposure to political influence. The directorate is to consist of the Secretary of Commerce, the Secretary of Agriculture, and three representatives of the textile industry. Originally it was proposed to include the president of the National Academy of Sciences. Another provision that writes its own emphasis on political opportunism appears in Section 2 of the act. It reads "any officer or employee of the United States, or of any corporation acting as a governmental agent of the United States, may...hold the office of director of the Textile Foundation without regard to any provision of law prohibiting the holding of more than one office."

Where occasion is seen for making official eligibility so broad and its phrasing so deliberate, any intrusion of political persuasion in the choice and course of research could be plausibly explained by the assumption of legislative intention.

The Job of Changing Minds



"THE WRITER has the means to open a first-class grocery store for himself, but does not do so because the housewife is one hundred per cent sold on the chain store. I wouldn't care to risk my money to change a woman's mind."

This homely bit of merchandising philosophy is taken from a letter written by a manager to his section chief. Whether he is right in his contention that the housewife is "sold" on the chain store is not for us to decide, but there is a timely significance in his conclusion that changing women's viewpoints would be costly.

Wise retailers everywhere, chain and independent, will agree that tremendous power now resides with the shopper. The modern retailer is, in a sense, a reporter who keeps the manufacturer informed about consumer buying preferences. Today the public not only buys where it pleases, but in many cases apparently is writing the specifications as to what shall be made.

To the old problems of business, such as finance, labor, raw materials, transportation, storage, is being added another. It is telling what the public wants and what it can pay for.

Fixed Prices Won't Stick



WHILE talking over some of his early experiences the secretary of a trade association told us of the job he once held as assistant secretary of a plumbing appliance group in a large city. The members conceived the quaint idea of agreeing on prices among themselves. They even went

so far as to print their price lists, and each knew that all his competitors had a copy of the list. Even in those days the idea was considered unethical, not to say illegal.

For a time the agreement worked, although none of the subscribers would have dignified it with the term "gentlemen's agreement." Then a newcomer elbowed his way into their territory, and began taking their business, solely on price. Soon one of the group cut his prices, too. Once more a price war was on.

Competition became increasingly unfriendly. Eventually the members could not be brought together again for any sort of peaceful agreement on the elimination of bad practices.

Here is a testimonial to invite belief that price agreements and other bogeys which cause such holy shudders from our economist politicians are as likely to be put to rout by the competitive spirit as by legislative formula.

Weather and Retail



AN EXECUTIVE of one of New York City's larger department stores was discussing the effect of weather on sales volume.

When it is raining steadily at eight in the morning, we prepare for a heavy day. It used to be just the opposite. Early rain was formerly a sign that we would not do much business that day.

The change from slow to busy rainy seasons has been a gradual one with us. We found that almost all of our competitors started to specialize and go the limit in the matter of stock control. Cautious buying soon cut their stocks way down. The inevitable result was that many customers concluded that only certain things were in stock. After being told a few times that the store doesn't carry items asked for, customers came to shop in each department store for particular items, as they would in specialty shops.

From the first, we have tried to give our customers a wide selection and assortment of merchandise, building up the idea that they could find whatever they wanted here. It is now bearing results. This is particularly true on rainy days, for a woman will not object to doing all of her shopping in one store, if she can fill out a complete shopping list there. In fact, she rather enjoys the experience.

Perhaps there is more of a tendency toward a return of the general store idea in department store practice than some of the statistical experts realize.

The Battle of the Books



OPPORTUNISM and expediency are easily read into the price revisions in the book trade. The natural desire for mass sales has brought drug stores into the foreground of consideration as well-organized potential outlets for cheap books. The novelty of this view is qualified by the fact that drug stores have regularly sold cheap editions of novels on which motion pictures were based, and more recently, they have carried cut price "remainders," politely known as publishers' overstock

—books that did not sell at their original prices of \$2, \$3 and \$5. Dollar reprints of books that sold at higher prices have also been carried in drug stores.

The dramatic quality in the present price disturbance issues not so much from the discovery of drug-store competition with the orthodox booksellers—for it has long been recognized—but more from the developing realization of what the drug store can do, as witness the report that Nelson Doubleday sold 60,000 copies of his Star Series reprints in one month in a single 42nd Street drug store in New York.

With the announcement that many titles will be issued in \$1 and 50-cent editions, public interest has become articulate in questions. Will the publishers overreach themselves? Must authors take a flat rate royalty in lieu of the old sliding scale that occasionally got up to 15 per cent on a \$2.50 book? Can the bookseller drum up three times as many customers as he got under the old price régime? How will the book clubs meet the new dispensation? Will "style" in books become as important as "style" in other products? Can the publishers develop a volume consumption for marks or brands as other lines have done?

Opinion on the effectiveness of the price cutting is divided. Skeptics contend that the lower prices do not represent new manufacturing economies, but merely a secondary sale of established works which have already borne the cost of plates, "overhead," and part of the advertising and sales promotion. Optimists argue that the downward revisions have useful precedent in the mass sales of paper-bound books abroad. This view holds that the lower prices give books a better footing in competition with the radio, the movie, and the rental library.

All Expansion Not Prosperity



THE well advertised glories of mass production seem slightly blurred when viewed through the lens held up by the Link-Belt Company, builders of conveyors and power transmitting equipment. In a consideration of the industrial possibilities this Company finds that mass production is not an unfailing key to prosperity. Concluding from its observations that few businesses are adaptable to mass production, it offers its own situation as a pertinent example.

A large proportion of the work done by manufacturers of elevating and conveying equipment is of a jobbing character, it seems—that is, it comprehends the building of apparatus to meet individual specifications, and is not susceptible to repetitive manufacture with its accompanying opportunities for cutting unit costs. Just because the automotive industry can cut costs and expand its markets by producing *en masse*, the Link-Belt Company sees no logic in saying that other manufacturing lines can increase sales following a reduction in costs.

In the materials handling field, for instance, "it would be absurd to assume that a price reduction of a few hundred dollars would enlarge the demand for power shovels or conveyors," and "even in long estab-

lished industries in the mass production class, such as flour milling and beef packing, there are distinct limits to market expansion." And no doubt it is true that "the economies from large-scale output are a constant temptation to increase production first, and worry about sales afterward."

The helpful note in this somewhat astringent view of mass production is the reasoned expectation of economies through the increased use of time-saving machinery. If the Link-Belt Company can communicate that article of its faith to the rest of the industrial world, it will have demonstrated its usefulness as a conveyor of ideas, as well as materials.

The Human Package



PACKAGE versus product, a controversy in which production managers, sales managers and advertising managers and agencies have endlessly engaged. No one questions perhaps that good goods succeed more easily in attractive packages, but can inferior goods be sold because of effective packages or superior goods be killed by inferior wrappings?

A poet once mourned that

... we often come across

A forty dollar saddle on a twenty dollar hoss,

but do men and women buy the saddle or the hoss?

As to the human package, how much does that help? Isn't it hard to think of men who have succeeded in the face of physical handicaps and unappealing appearance but are there others who have failed because their real ability was hidden away in an unattractive exterior?

Our own presidents might make an interesting study in human packaging. Take the two whose names leap first to the mind. Washington—if we trust portraits and contemporary writings, was a handsome human package, six feet two, weighing two hundred or so, a handsome man. To be sure the new school of bilious biography tells us that his teeth were bad, but perhaps he balanced that by keeping his mouth shut.

But Lincoln's appearance was a thing that had to be overcome. Certainly, he aroused ridicule; "uncouth" and "shambling" were adjectives that seemed then to fit him. But admiration for the product has led us to include in our affection an acceptance of the package and few of us now think of Lincoln as handicapped by appearance.

It would be possible to make an impressive list of men great in letters, in science, in industry who have gone ahead in spite of a handicap of looks. Still the package is important, and the man who can add to ability, appearance, is doubly blessed.

Having Our Cake and Eating It Too



THE questionnaire hurled this inquiry at the editor's head.

"What in your opinion is the biggest problem American business must face in the next five years?"

That's the kind of question one likes to run across in his daily questionnaire. Whatever answer you make

will be right. It isn't like being called upon to tell what tooth paste you use and why or to give your reasons for going to, or staying away from, church.

So here's an answer and anyone may have a better:

The biggest problem ahead of American business is to reconcile the regulation or control by our Government of our public utilities, with the advantages and advances which we properly associate with private ownership, individual initiative and the profit motive.

No phrase is easier to say than "private ownership under public regulation." But every time we increase government regulation we are in danger of decreasing the benefits we can get from private ownership.

Take our railroads. We have a government fixing of the price of their chief commodity, freight rates. Perhaps the advantages of that rate regulation are far greater than the disadvantages, but are there no disadvantages? If we strait-jacket business by government regulation we shall not do it without sacrifice to the virility of the industry.

In economics as in all things else, we want to eat our cake and have it, too. We feel that some measure of government regulation of our utilities is needful, but we don't want to bring them down to a single pattern of drab uniformity.

Regulation That May Come



"COMPETITION is the life of trade" said some wiseacre whose name the available dictionaries of quotations do not give. Repetition has given the phrase a sanction, and countless "antitrust" laws have been proposed and enacted to preserve the blessings of competition.

And still men talk of "ruinous competition," plan mergers to lessen competition and ask that the anti-trust laws be modified that competition may be avoided.

Let's picture the round of what might happen. The District of Columbia, where this is written, is a small, compact political unit of half a million residents. There are, someone decides, too many shoe stores. Half as many stores strategically located could supply the District with shoes. Shoe prices could be lessened and the competent shoe dealers would prosper.

An admirable idea. A law is passed limiting the number of shoe stores. A board of examiners decides on the retailing ability of applicants and grants licenses only to those who are fit. A board of surveyors decides on proper locations.

What next? With the limitation in the number and location of shoe stores, there develops an inclination to keep to top prices, to avoid sales, to hesitate about new styles, since new styles may leave on the shelves unsold shoes.

Residents of Washington begin to buy their shoes in Baltimore which is at the other end of 40 miles of fine road, or in New York or by mail from cities farther away.

It is plain that more laws are needed and the Shoe Retailers' Commission is authorized to fix prices after proper hearings, and becomes a semijudicial body. But price-fixing proves ineffective and other remedies are

proposed: a law specifying the number and prices of pairs of shoes in proportion to assessed income which each resident must buy; a law authorizing a bond issue for building many miles of footpath and compulsory lectures on walking as an aid to health; a law making it a misdemeanor to ride in an automobile for a distance of less than one mile.

But still the shoe business in the District of Columbia languishes and another bill. . . .

"All nonsense" says the critic who had read thus far.

"No more nonsense" said the man who is writing this, "than many, perhaps most, of the measures proposed to restrict and regulate business."

The Course of Unemployment



IT GOES without saying that no up-to-date discussion of economics in general and unemployment in particular is complete without mention of "technological unemployment." As might be expected, the term has become fair game for professional economists. But much as pundits have rushed in with definitions where plain citizens merely scratch the head, it is only just to give a professor his due. "Technological unemployment," it seems, is merely "one of the latest literary inventions of labor investigators."

So writes Dr. Royal Meeker in reviewing Dr. Paul Douglas's work on "Real Wages in the United States." Perplexed in its reading by new economic tags and labels, a puzzled public should not find it difficult to agree with Dr. Meeker that "it comes as a refreshing surprise to read a recognized authority who declares that unemployment has grown less, not greater."

A Conference on Construction



REPRESENTATIVES of the construction industries—contractors, realtors and building material producers—and of the auxiliary services of finance and insurance, met informally in Chicago on July 30, at the call of Julius H. Barnes, Chairman of the National Business Survey Conference, and Chairman of the Board of the United States Chamber. After reviewing intergroup problems in the fields of realty finance, credit practice, stabilization, legislation and taxation, the meeting decided that the construction industries need a common ground on which to meet with each other and with representatives of general business and governmental agencies.

Mr. Barnes was made Chairman of a small committee authorized to set up a permanent National Conference on Construction, representative of business and other groups interested in the problems of public and private construction.

This Conference will not be an operating or promotional agency. It is contemplated that it will serve as a means for the selection of a limited number of common problems of business and other interests identified with public and private construction with a view to developing the necessary factual studies and recommendations to cooperating agencies, looking to the solution of these problems.

Law-Fixed Prices Won't Stay Fixed

By HERBERT COREY

DURING the last quarter of a century governments and bankers have been demonstrating an interesting new theory. A selfish one, perhaps. Old fogies said it was not sound.

But it worked as they worked it. They proved that it is possible to repeal the ancient law of supply and demand. Only it will not stay repealed. Let us look at the layout.

The British Government boosted the price of rubber higher than the gallows of Haman. Today rubber is on the bottom. Tomorrow's rubber may be even cheaper. The planters who were not of the monopoly will be selling the cheap rubber at a profit.

The Brazilian Government levied a tax on the world's coffee. Collected it, too. Today coffee is selling in New York for less than the cost of getting it there.

European states subsidized beet-sugar growers. Today sugar is at an all-time low and no one can call off the subsidized dog.

Chile had all the nitrates. Now nitrate making is a money-making industry.

Japan had the world by the neck on natural camphor. The makers of synthetic camphor are now fixing the price.

American farmers paid the exorbitant prices demanded by the Mexican hennequen growers for binding twine. The Orient discovered that it could



EWING GALLOWAY

Britain decreed that fewer rubber trees should be tapped. Rubber prices went up, but today rubber is cheaper than ever



AN industry may establish a monopoly, or a government may pass a law to boost the price of a commodity. But as soon as it does, things begin to happen. The consumer uses less of the commodity, or finds a substitute, or someone discovers a way to produce the same thing for less money. Law-made prices won't stick

furnish a better sisal at a lower price. So did Haiti. The sisal price has been running downhill and Mexico is furnishing each year a slightly smaller proportion of the whole.

Maladjusted prices

THE law never fails to operate. If a situation is poked in on one side it bulges out on the other. If the price of a commodity is put up by artificial means those who were not invited to the party come and have a good time. Totally unauthorized persons in distant parts raised too much rubber and too much coffee for the monopolies to swallow. Then they got the habit.

Tomorrow's rubber and coffee may be cheaper than ever before because of one thing. While the monopolies were relying on laws, the independents went in for brains. They discovered the sweetness of low costs.

More thousands of tons of rubber are being demanded by the world every day. The world is getting back to a sound economic basis. Competition is at work again. New uses are being found for rubber. New necessities are popping up for it. If the economic situation had been let alone the high probability is that the rubber planters would have been in a bull market for the rest of their days. New trees would be coming in as new uses were found. Now and then there might be a

bad year, of course, but bad years are no novelties in history. But the manipulators began to poke sticks in the machinery.

"We'll make the consumer pay," they said. "He must have rubber. He will pay what we demand."

From 1910 to 1920 the rubber business was one of the most prosperous ever heard of. The world's demand was growing insistent. Thirty-cent-a-pound rubber in the London market insured the plantation owners the 15 per cent profit they thought was only fair. During that golden decade the high average annual price was \$2.06 in 1910 and \$3.33 in 1920.

There's profit for you! There's pros-

sufferings. The rubber planters convinced the British Colonial Office that the British rubber-growing areas had what amounted to a monopoly of the product and could enforce monopolistic prices.

"We will do thus and so," ordered the Stevenson Committee. It would be a waste of time to review the Stevenson Committee's various plans, but they amounted to just this. Rubber-tree planting should be shortened, fewer trees were to be tapped, the prices were to be jacked up everywhere.

Now and then the faint pipe of a conservative was heard in opposition. These quaint people held that it is never good business to drive a price so high that industry is unable to use the commod-

ity. Nothing could be more laughable than this outworn theory. The *Malayan Tin and Rubber Journal* put the producers' cards on the table.

"We have absolutely no call to consider the interest of the American users of crude rubber."

Prices upset the monopoly

DURING the squeeze, the price of rubber once touched \$1.40 a pound. It sold at \$1.21 in 1925. The world was calling for more balloon tires and bathing caps and garden hose. The British areas supplied 75 per cent of the demand at the end of this decade of "almost unrivalled prosperity."

At this writing, the British control only 59 per cent. The price of rubber has fallen to 13 cents. The Stevenson Committee is no more. F. R. Hendrickson, president of the New York Rubber Exchange, is quoted as saying:

"Some plantations may be able to grow rubber as cheaply as five cents a pound."

If any five-cent rubber is ever grown it will be the work of an unknown Dutchman with a grafting knife. Maybe his name is known in the Dutch East Indies. It should be. His gilded statue should shine in the sun. His grafting knife should be hilted with diamonds. Whoever he was or is, he cut the throat of a monopoly and took a good part of the future's business away from the monopolists and placed it in the lap of his own country. Maybe this is taking an unduly rosy view of this Dutchman.



EWING GALLOWAY

The production of potash is now a monopoly but if the price goes too high, we may get along without it

perity! There's eating your porridge with a platinum spoon from a silver bowl! Rubber companies paid all the way up to 60 per cent in dividends. Forty per cent was common. Almost vulgar.

Then came the world-wide depression of 1920 and 1921. Manufacturing slackened for a time and rubber prices sank to 18 cents and a fraction.

"Help us," moaned the rubber men. "Rescue the perishing!"

They were not perishing. Not a bit of it. In that area of depression not one British rubber company failed because of the low prices. They could have sucked their paws and lived through the winter. But they grieved about the loss of the fat profits that had been rolling in. Other business men in other businesses grieved, too, but they did not demand dispensations to relieve their



PUBLISHERS PHOTO SERVICE

Cane sugar could be produced in certain countries only. It became almost an extravagance. Today sugar is being produced in almost every country



EWING GALLOWAY

Brazil had a natural monopoly of coffee. It decided to control output and to regulate exports—to make the consumer pay. But the consumer used less coffee—and now coffee is selling below production cost

Maybe he only followed economic law. Maybe it was the monopolists themselves who took their own business away. Here's the story:

"By bud-grafting," this unknown Dutchman said to his rubber-growing compatriots, "by the grafting of a bud of a good tree on the stem of another tree, we can almost double our rubber output per acre and lessen our costs. You take a sharp knife and a handful of wet clay—"

So the Dutchman went to bud-grafting.

"This is absurd," said the British planters. "A long, slow silly process. Much easier to boost the price by law—"

The price was boosted. The Dutchmen profited by the boost as much as the British did. Rubber has a world-wide market and it was not possible to keep this Dutch rubber out of the markets the British sought to control. The price was boosted too high and consumers began to get fretful about it. When Herbert Hoover was Secretary of Commerce he called attention to the pinch in rubber. He noted the reasons why it did not seem feasible for the American Government to undertake reprisals against the British Government's rubber monopoly. He preferred the unsensational and satisfactory recourse to the older methods.

"Use less rubber," he advised. He believed that our people—wasteful to the last man and woman—could save perhaps a quarter of the annual rubber bill

and not cut down automobile mileage by a furlong.

Reclamation helped lower prices

THE reclaimers of rubber began to get busy. In a single year the amount of rubber reclaimed in the United States rose to 170 million pounds, which was just three times as much as had been reclaimed the previous year. Every pound of rubber not worn out or reclaimed was one pound of rubber not bought from the monopoly.

Ford and Firestone decided to place themselves beyond the reach of the next

prophet of a new doctrine and began to set out thousands of South American and African acres in rubber trees. Trees were being planted everywhere. Rubber prices went down.

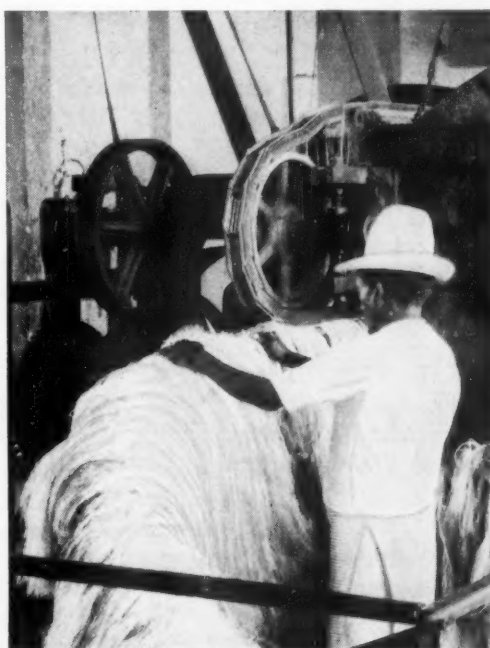
The Stevenson Committee gave up. Its weary acceptance of one of the primary economic laws was stated by the British Colonial Secretary something after this fashion:

"There is too much planting, especially in Dutch areas; too much rubber is being reclaimed; we do not control a sufficient percentage of rubber production."

The world's neck had slipped out of the monopoly's fingers. In the meantime those trees that had been bud-grafted in the Dutch East Indies five and six years ago are coming into bearing. More and more each year they are coming into bearing. These are the trees which will provide the five-cent rubber of the future, if any five-cent rubber is ever provided. The competitors of the Dutch had not bud-grafted to any extent. They had placed their reliance on laws and taxes and controls. So that when the bud-grafted Dutch rubber begins to get in the market at five cents or ten cents or whatever the low price may be the competitors must sharpen up their knives and go out and gather up handfuls of wet clay—

Trouble always follows when an old-fashioned, bullheaded, economic law is interfered with. Trouble may be a long time catching up. There may be a period

(Continued on page 91)



EWING GALLOWAY

Mexico lost its sisal business soon after it began charging exorbitant prices

SINCE LAST WE MET ★

JULY

- 10 • SEARS ROEBUCK and MONTGOMERY WARD announce cut prices from 10 to 25 per cent. Latter extends installment selling.

COPPER for domestic consumption down to 11½ cents.

TWO HUNDRED American business men promise \$1000 a year apiece to Harvard for business research.

- 11 • SENATOR CAPPER of Kansas asks the Farm Board to buy a hundred million bushels more of wheat. The Board shows no sign of acceding to the request.

- 12 • FEDERAL tax receipts for fiscal year ended June 30 were \$3,038,000,000.

STANDARD OIL OF CALIFORNIA restores gasoline prices to levels obtaining before recent price wars.

- 13 • STANDARD OIL of New Jersey brings leading refiners together to develop jointly more economical methods of producing gasoline.

- 14 • GENERAL ELECTRIC reports sales for first 6 months of 1930 at \$3,000,000 more than in same period of 1929. A. T. & T's. net income in the same period was up \$1,500,000.

LIFE insurance sales down in May, were up in June and the half year showed a gain of 1.8 per cent over 1929.

- 15 • ALL the Chilean nitrate industries combine with the Chilean Government holding half, and surrendering its export tax for dividends.

- 17 • SINCLAIR CONSOLIDATED OIL sells half its oil purchasing company and its pipe line company to Standard of Indiana. Sinclair in turn will get Prairie Oil and Prairie Pipe Line.

- 18 • ANTHRACITE miners and operators sign a labor agreement to last until April 1, 1936. Miners win on check off. Operators to have arbitration. No cut in wages.

JULY

BANK clearings for week 20 per cent less than a year ago. New York the main loser.

- 19 • PRESIDENT HOOVER names for the Federal Power Commission, two engineers, Claude Draper of Wyoming and Marcel Garsaud of Louisiana and a lawyer, Ralph Williamson of Washington.

A BILLION more cigarettes sold in June, 1930 than in June, 1929.

- 20 • JUNE auto production was 335,475 as against 545,932 in June a year ago.

IN SUIT to block Youngstown-Bethlehem merger, it is brought out that President Grace of Bethlehem got a salary of \$12,000 in 1929 and a bonus of \$1,623,000.

- 23 • GENERAL MOTORS reports earnings of \$98,350,000 for first half year, a drop from \$151,860,000 for same period of 1929, but says President Sloan, "the strength of the corporation's financial position has been well maintained."

- 24 • R.C.A.-VICTOR COMPANY adds 7,000 men to its payroll.

BROKERS' loans down to \$3,226,000,000 compared to \$5,900,000,000 a year ago.

- 25 • INTERNATIONAL COMMITTEE of Bankers reaches an agreement with Mexico over that country's debt. Arrears of interest cut, time for payment extended. Custom revenue pledged for debt payment.

GRAIN rates cut by Interstate Commerce Commission.

- 26 • FIRST 21 railroads to report June earnings show a decline of 26.7 per cent as against June 1929 and of 14.2 per cent as against June 1928.

- 28 • SOVIET ships bringing pulp wood barred by Assistant Secretary Lowman of the Treasury. Assertion that their cargoes were made by convict-labor. Protest already made against Russian manganese.

- 29 • UNITED STATES STEEL net for second quarter \$47,000,000, as against \$73,800,000 in 1929.

A Business Record July 10 to August 9

JULY

PRESIDENT HOOVER proposes a committee to study unemployment figures and advise the Government how best to revise them.

- 30 • STOCK prices sag. Wheat at lowest since 1914. Cotton under 13 cents, lowest of the year.

PRESIDENT GREEN of the American Federation of Labor says unemployment among union members increased slightly in July. This is largely seasonal.

- 31 • CHASE BANK gets Harris, Forbes group of investment securities houses.

NATIONAL CITY BANK reports that installment payments have not slumped. Only .19 of one per cent were overdue sixty days.

BRITISH AND DUTCH rubber growers ask legislation to regulate output. Say there is no hope in voluntary action.

STUDEBAKER cuts dividend from \$5 to \$3 a year on common.

BETHLEHEM STEEL net drops from \$33,000,000 for first six months of '29 to \$29,000,000 for first half of '30. President Grace says wages will not be cut.

AUGUST

- 1 • NEW YORK EDISON proposes a cut in price of electricity from 7 to 5 cents but wants to charge 60 cents a month for each meter.

FEDERAL GOVERNMENT lifts ban on Russian pulpwood.

HOSIERY workers agree to a 20 per cent wage cut plus arbitration and unemployment insurance.

BRITISH GOVERNMENT to take whatever insurance is necessary to enable Cunard Company to build 75,000-ton ship.

NATIONAL CITY BANK *Bulletin* compares net profits for the first half of the year of 305 corporations with the first half of 1929. Drop was from \$810,000,000 to \$653,000,000, about 25 per cent. The same companies had net profits of \$671,000,000 in the first half of 1928.

AUGUST

- 2 • STANDARD OIL COMPANIES to sell tires at filling stations. Rumored Texas Company will start a chain of tire and accessory stores.

- 3 • STEEL production stops declining. Has been stationary at 115,000 tons of ingots daily since July 4.

- 4 • FORD, General Motors, Packard and others reopen shut down plants and 125,000 go back to work.

WHEAT goes up 3¼ cents and corn 2¾. Drought a factor.

JULY failures were less than any preceding month of the year but 18 per cent higher than in 1929, Bradstreet reports.

UNIVERSAL wireless which had 40 short wave channels for communication among 110 cities in hands of receiver.

- 5 • POPULATION of United States put at 122,728,873 a gain of 16.1 per cent over 1920.

HOOVER undertakes effort to aid in meeting unprecedented drought conditions.

- 6 • CORN up 8 cents in wild buying at Chicago. Wheat and other grains up.

NET INCOME of Class 1 railroads for first six months of 1930 was \$376,000,000 a drop from \$562,000,000 in 1929.

- 7 • AMERICAN-CANADIAN banking committee forms to aid Cuban sugar situation. Chase National, National City, and Royal Bank of Canada among those interested.

WALL STREET hears that Gillette and Autostrop will consolidate.

- 8 • PRESIDENT HOOVER calls Governors of states most affected by drought to a conference. New York City complains that its food prices are being raised unjustly.

BANK CLEARINGS for week ended Aug. 7 off about \$3,000,000,000 or 25 per cent. Almost all the loss was in New York City.

PENNSYLVANIA tries out a 300,000 pound electric locomotive for use on Washington-New York service.

- 9 • INTERSTATE COMMERCE COMMISSION authorizes cuts in rail rates on food supplies and live stock shipments to relieve drought.



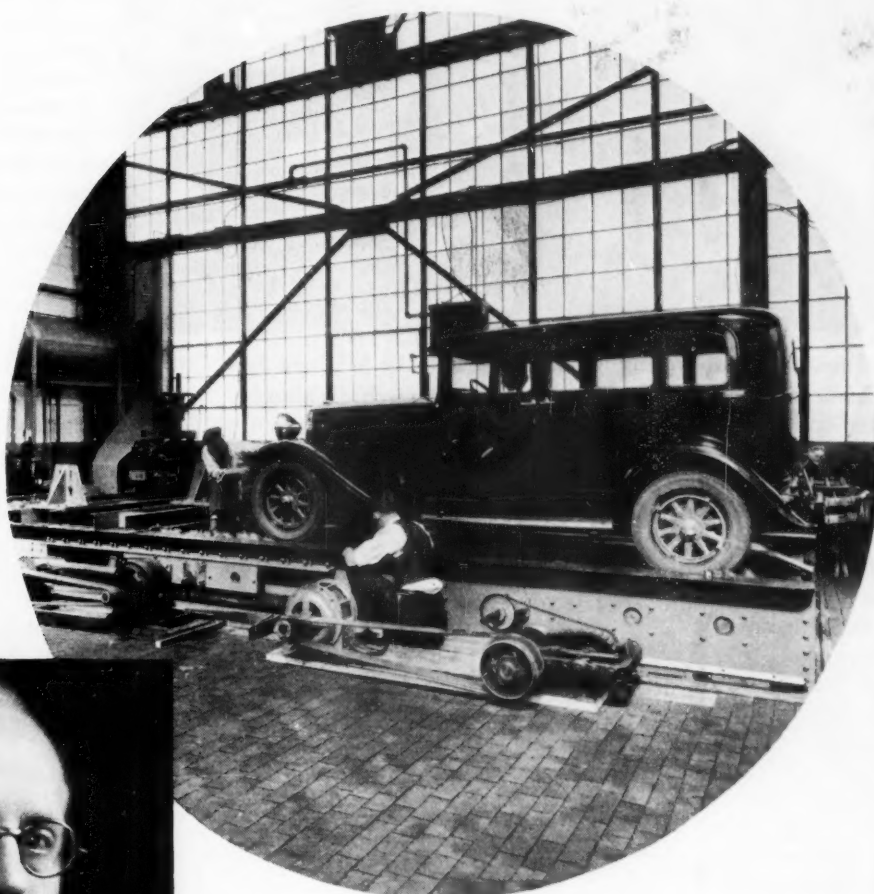
7 • Embarrassing Moments in the Lives of Great Business Men—By Charles Dunn

- ★ Walter F. Gifford, president of the American Telephone and Telegraph, stops off to make a long distance call and finds that the technique of a country phone is a matter that requires some practice. The small prompter informs him that he should never turn the crank with the receiver off the hook

Research is Our Best Salesman

By E. J. KULAS

President, Otis Steel Company, Midland Steel Products Company



This testing machine subjects a car to all the jars and jolts of a road trial



E. J. Kulas

A FEW months ago an engineer in the research laboratory of the Midland Steel Products Company recommended what in the past might have been regarded as a trivial change in a minor manufacturing operation. This company's chief product is automobile frames. They are braced with crossmembers, which are punctured at two points so brake rods may pass through. The engineer pro-

posed that we change our cutting dies for these holes from the traditional circle to an irregular design which he had worked out.

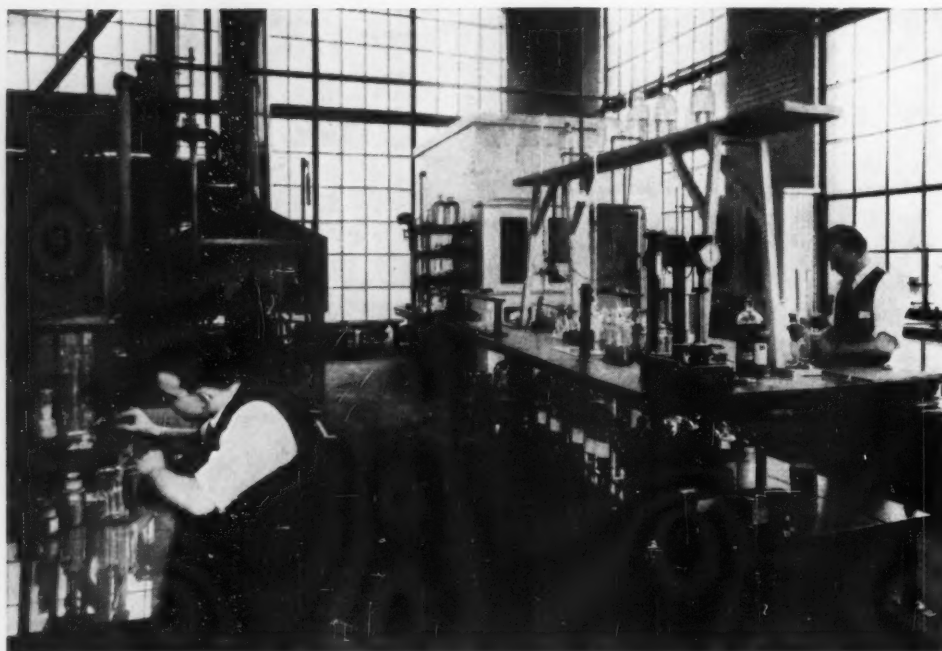
With the drawing for this design he sent in another sketch showing that when the small piece of steel thus stamped out was bent in a certain way, it formed a lug or shelf duplicating one which we had been making separately for welding to the outer part of the frame.

We sent the suggestion along to our customer and, as the new shape of stamping made no difference in the strength of the crossmember or in the brake-rod assembly, he authorized us to adopt it. Thereby we were able to show him a reduction in cost of ma-

terial and another in labor, through eliminating one cutting operation.

Small savings bring profits

THE saving to the customer in this instance was only a few cents on each frame, although it represented a substantial sum in the aggregate. I have outlined it here chiefly to illustrate how competition in this country is swinging around to the research laboratory. Before we began to use our research facilities as an instrument of competition this sort of thing would have been inconceivable. The old die is standard and the new one is a special tool. If our operation had been considered alone we apparently would have had nothing to



Customers are more than willing to cooperate with the Midland Steel Products laboratory. A section of the chemical research division

gain by the change. We discovered that laboratory work is primarily of value as a competitive instrument soon after we had set up a research department some years ago. At the outset its work was altogether internal. Plan after plan was produced that would have ironed out manufacturing problems which were our own concern. But, to get the bulk of them into production, we soon found it was first necessary to induce buyers of our products to make changes. The external factor was the controlling one and we had been giving it secondary consideration.

Accordingly, we made certain changes and today our laboratory is geared to consider customer or external requirements first. Its value to us has increased tremendously. The record of our research dealings with one of our large customers illustrates this. We had been supplying part of his demand for motor-car frames for many years. From time to time our research men had suggested improvements.

Improvements for a customer

IN EVERY instance, however, these suggestions were made only after a new model had been placed on the market. They could not be made in advance because we had only the specifications for our own product from which to work. Naturally the manufacturer was not in-



"AN INCREASING percentage of what business men call the firing line is being shifted into the laboratory," says Mr. Kulas. For this reason his company has given its research department an active part in competition using it as a selling aid and to assist customers in combating those X-forces that threaten to engulf every business today

clined to make any change which was not essential to good performance after he had gone into production.

A few years ago, however, this manufacturer brought out a new model marked among other things by a considerable increase in horsepower. He sent us specifications for a stronger frame, but otherwise there was no change in its design. Our engineers knew that a great deal of difficulty was being experienced on various testing grounds by a front-wheel vibration caused by the use of greater power with balloon tires and improved types of shock absorbers.

Therefore, before going into production, we set up one of the specified frames and tore it apart on a testing machine designed to exaggerate the strains of actual road conditions by several hundred per cent. By noting where failure started we were able to devise a lip or flange that checked the vibration at its source.

One of these frames was sent to the testing grounds of the manufacturer, and he was induced to install and test it. As a result we got the order for his entire line.

Anticipating weakness

AT HIS suggestion we also got a cooperative arrangement under which we are now supplied with complete blueprints and specifications of the entire car whenever a new model is being designed or a material change considered. This enables our laboratory to anticipate weaknesses or faults that otherwise could not be foreseen until our product had gone into the hands of the ultimate consumer.

What this sort of laboratory competition may amount to in dollars and cents is almost incredible. The mere redesigning of a crossmember in a motor-car frame saved one large customer \$280,000 annually. We were able to cut that much off his bill because the new design, although actually stronger, lent itself more readily to straight-line manufacture.

In another case the customer saved \$60,000 through a mere rearrangement of minor assemblies, while a separate gusset riveted to a sidemember saved another customer \$110,000.

The attitude of customers toward our laboratory work has completely changed. When they saw it as a unit of production designed to increase our profits or to facilitate our manufacturing processes they were not interested. But even a new customer will listen to a salesman who has nothing to sell except the ability of his laboratory to improve something that the customer knows needs improvement. He will listen to the salesman and nine times out of ten he will cooperate not only with the laboratory but with the production department.

So much has been said and written about the value of industrial research that in theory there is no longer any resistance to the movement. Even in our most backward industries the leaders at least recognize that there can be no progress without improvement of product and service, and no improvement without a continuous survey of the uses to which the product is being put and the additional needs it may be de-

signed to serve. However, it has struck me that we have yet to catch the full significance of research. We are speaking of it as an aid to competition, when, as a matter of fact, it is competition in itself. Since we do not think of it in that light it is relegated to a minor position in which, regardless of its efficiency, its value is less than it ought to be.

When I say that laboratory work is a definite phase of competition I do not mean that salesmanship has been eliminated, or that its importance has been minimized. On the contrary, it is being constantly intensified. What is happening, in my opinion, is that an increasing percentage of what business men call the firing line is being shifted into the laboratory.

The salesman in any manufacturing line today should have the backing and close cooperation of a well-equipped research department. In our experience it was not sufficient merely for these divisions to cooperate. To meet the new type of competition there must be a mutual understanding by research workers and salesmen of the competitive problem that each has to solve.

I am using the term "research" here in the sense of laboratory workers

whose task it is to improve manufactured products, or methods of manufacturing them. Heretofore, with few exceptions, that function has been regarded as an adjunct of production, and therein, I believe, lies its greatest limitation. A tendency develops in such a laboratory to make methods more convenient or profits higher for the direct manufacturing employer. The needs of the customer may not be overlooked, but inevitably they become secondary.

Tying up research and selling

THIS tendency persisted so strongly after we had set up our research department that, to offset it, we established the custom of trying out new ideas on the sales department before they were offered to the production men. Even in a business such as ours, where salesmen must have a great deal of technical knowledge, they are not production experts. Therefore, the disposition of the shop men at first was to minimize the value of suggestions from the sales force. But in time it began to be evident that these suggestions had the practical value of being salable and had a definite market value.

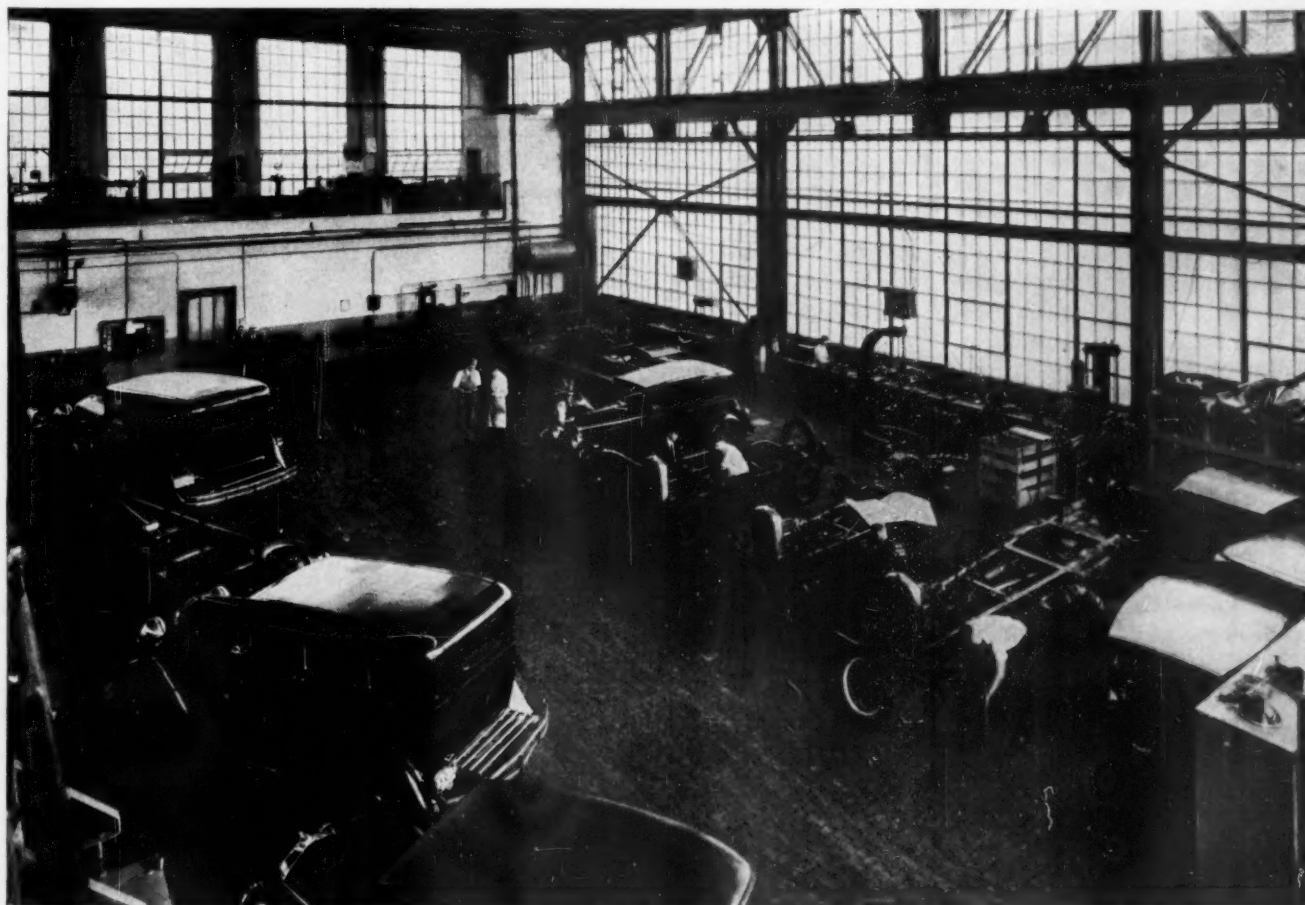
As a result, after considerable experi-

ment, we decided that, since the laboratory is definitely a part of competition today, it should be an adjunct of the sales department. Within a recent period of a few months we have rearranged our organization accordingly, but for all practical purposes it has been working under sales direction for more than a year. Under that direction its value has increased. In some lines where we were facing a problem of how to hold customers the problem now is how we are to meet their demands.

Our engineering and research laboratory is one of the largest and best equipped in the automotive equipment field, but it cannot compete in size or facilities with the testing grounds and research departments of the large motor-car manufacturers. Nevertheless, by shifting the aim of our effort from our own problems to those of our customers we have found it possible to keep a step or two ahead of competition.

Every manufacturer and every one acquainted with the complexity of modern manufacturing problems will understand why this is so. The maker of a new motor car can ask himself a thousand questions concerning its performance, durability and appearance

(Continued on page 158)



Competition reduces itself to service. Therefore it is important that the sales department and the laboratory work hand in hand in an effort to sell by improvement



The way to sell a tractor to a Turkish farmer is to drop in for a few days and smoke and drink coffee with him

The British

THIRTY years ago a great automobile show took place in London. Nearly all the space was occupied by British firms who had been making bicycles and carriages and who had taken up the new vehicle. French manufacturers, pioneers like Benz, DeDion-Bouton and Mors, had cars on view. I remember the White Steam Car too, a popular make in its day.

I was a student engineer with plenty of theoretical knowledge, and my interest was mainly mechanical. Engines had to be sold as well as made, I supposed; but it never occurred to me or any other well educated young Englishmen of those days that there was any technique in it. As for advertising, it was so closely identified in our minds with things like electric belts, pills, cocoa and soap, that we unconsciously dismissed it as a somewhat regrettable vulgarity.

It was all very well for So-and-So's Lung Tonic or So-forth's cigarettes to be kept incessantly before the public by advertising. It was even quite all right to have been at school with So-and-So's sons or So-forth's nephews, if they were rich. But in our hearts we believed advertising to be an outsider's noisy method of pushing in with his shoddy wares among the accepted and dignified establishments.

It is necessary to emphasize this state of mind among young Englishmen of those days because, although we were of no importance, our attitude was significant, as Thomas Carlyle was so fond of saying, of much. It was not that we had any objection to success, or even to business success. The point lay in our fundamental inability to see how that success was really achieved. I suppose you can say that it was a form of snobishness. We admired the famous, the rich, the accepted, forgetting that methods change with the times and that all things acquire veneration through age.

We, for example, venerated Norman ancestry; but we never stopped to wonder what we would have thought of William the Norman in the flesh, that most efficient and aggressive executive of his day, who organized a new territory and promoted himself from a dukedom to a throne. Nor did we ever wonder what he might have thought of us.

A new luxury for the rich

THAT automobile show of days gone by was a dignified affair. The band of a famous regiment played military tunes during the evening, royalty had opened it on the first day, and eminent and wealthy patrons of the new sport were to be seen in earnest discussion over the chassis of a new car. I remember dimly the late Lord Balfour, very tall and elegant, and the Hon. Charles S. Rolls, a son of the Earl of Langatock, who afterwards went into partnership with an engineer named Royce and began making motor cars of his own.

High-class and expensive refreshments were served by a high-class and expensive caterer in the restaurant. The modern reader, who has perhaps grown up in a motor-car age, must remember that the automobile was offered exclusively at that time to the carriage trade. There was a social reason for it. Riding, whether on a horse or in a carriage, was for the well born, and so it was only natural for manufacturers to go for that trade. Each chassis was custom built.

The firms in Long Acre and Cranbourne Street had built carriages

and coaches for the nobility since the days of William and Mary, and now gave you quotations for building a tonneau on your own chassis, to your own specifications and with your own coat-of-arms on the panels.

So we young engineers had a purely academic interest in the vehicles on display. We not only had no notion of selling them, we had no hope of ever owning them. We were youthful acolytes assisting at a solemn ceremony to celebrate the acquisition of one more luxury by our betters. But in one corner of the hall was a jarring note. A young man in bright blue overalls fussed with a motor car of brilliant scarlet.

That car was like a burglar alarm going off in a cathedral. It was a shout of color. It not only claimed attention, it arrested it. It drew us like a fire engine or a company of soldiers in red coats marching through the streets to guard the Bank of England. It was not a quiet red, or an artistically patterned red. It was truculent in its uncompromising blattancy of appeal. The sharp-faced young man in the bright blue overalls completed the utter incongruity of the exhibit among those darkly rich and glossy chariots of the English factories.

Our prejudices were gratified when we learned that the red car came from America. It was, of course, only what we might have expected. You would have discovered in our attitude what James Russell Lowell once discovered, a certain condescension, a willingness to be amused at the antics of those queer people from the land of the Red In-



"Tradesman's daughter" was a disrespectful name

Philosophy of Business

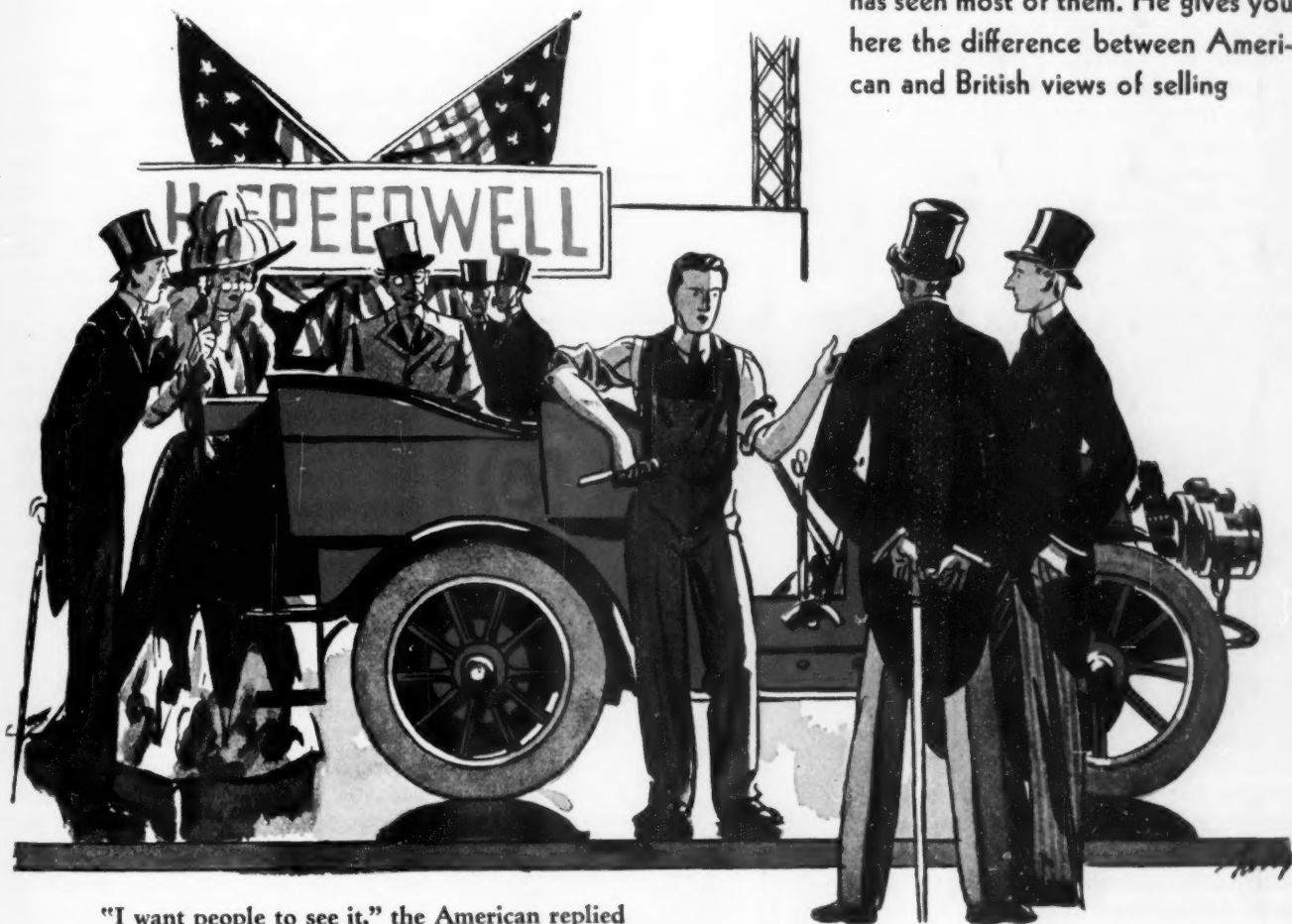
By William McFee

Author of "Casuals of the Sea," "Swallowing the Anchor"

ILLUSTRATIONS BY EDWARD A. WILSON



"IF YOU keep your eyes open you will see prejudice at work in all countries," says Mr. McFee. He should know because as a ship engineer, he has seen most of them. He gives you here the difference between American and British views of selling



"I want people to see it," the American replied when we asked why the car was such a vivid color

dian. Here they were actually exhibiting a red automobile!

I wish I could remember the name of its maker. But I have never forgotten the reply of the hawk-faced young man in bright blue overalls when we asked him why he had painted his car that preposterous color. He said:

"Hell! I want people to see it!"

And we had never imagined that side of the question at all!

Very probably the color he had chosen and the fact that the car was cheaper

than most worked against that young man. Our minds, the minds of young Englishmen of 30 years ago, worked something like this:

Prejudice hurt his trade

IF a manufacturer was so hard up for customers that he had to leave his own country and come among us with a sample painted a horrible color like that, and if he fixed a low price, there must be something dubious and suspicious

about the whole business behind the car.

I am not defending such a state of mind. Neither am I overcritical of it, because if you keep your eyes open you will see prejudice at work on every hand and in all countries. I am not overcritical of it because a bias in a certain direction is better than total instability. I mention this little episode because when I became a machinery salesman I carried into the business of selling certain hampering prejudices against merchandising itself. But that young

American salesman's ejaculation was remembered. It embodied a fundamental difference in outlook between the two countries, and explains the difficulty many Americans still experience in understanding the selling problem in England. When sales resistance exists even in the salesman, it is only natural to expect it abnormally developed in the customers.

For that is what the prejudice really amounts to, and if I were forced to indicate briefly the main cleavage between English and American markets for all kinds of merchandise, I would say that, whereas in the United States the average man and woman is unconsciously receptive to the idea of buying, in England they are suspicious and resentful toward the abstract notion of purchase.

The worst thing you could say of a girl in my youth was that she was "a tradesman's daughter." The superstition that the man who has something to sell is socially inferior to the person whose business he solicits still persists over there. It was certainly true in my own line of business, which was the sale of laundry machinery.

Tradesman's entrance

THERE was the time I called at a great house to consult as an engineer about the installation of a laundry plant, and was told to go round to the "Tradesman's Entrance."

An American publisher, who had acquired a controlling interest in an old London publishing house, was hampered at the beginning with the encrusted tradition and prejudice which confronted him. For instance, he found that the office front door had not been opened since the beginning of the century. Everybody used a side door. When he returned to New York after one of his bouts with his English directors, he was asked what progress he had made. He said, in great glee:

"I've got the front door open, anyway!"

London, in those days had 7,000 laundries. I ought to know because for two years I did little besides call upon them as a sort of advance agent. They were of all kinds, from huge plants with thousands of customers, to small family ventures consisting of a tiny wash-house

with a two-horse-power gas engine in the back yard.

Some parts of west and northwest London had whole streets in which every building was a steam laundry. Day after day I would set out on my travels, with catalog and route books, penetrating into enormous jungles of the Metropolis which the American tourist never sees. I have interviewed crazy foreigners who spoke an incomprehensible gibberish. I have rung bells at doors which were opened by angry women, or weeping girls. I have seen members of a family suddenly ejected with a parental boot. I have confronted stout gentlemen suffering from hives or toothache. I have been greeted by bailiffs and by undertakers.

On one occasion I called upon a family when they and their friends were gathered to meet a husband who had been away for many years "in the Colonies." Often I have wondered, first, whether some of those people I saw peeping through the blinds did not think



I called as a consulting engineer and was told to go to the tradesman's entrance

I was the husband (greatly changed); second, what the story might be behind the homecoming; and third, whether, supposing the lady who opened the door was his wife, the husband did not eventually return to the Colonies.

Very often I was met by a savage dog.

The dog, of course, was not only actual but symbolical. He was the embodiment of what my prospective customers often really felt about salesmen. Their attitude was either resentment of me or a fear of themselves. I remember a girl who talked to me for a long time one day, mainly, I think because she was so desperately lonely and wanted to hear herself speak. Her mother was out with the van. Although her mother owned the business the daughter told me she was terribly nervous whenever her mother discussed getting a new ironing machine. She was afraid her mother might give way to an uncontrollable impulse and order one. They couldn't afford it. They hadn't the ready money.

Time payments were barred

THIS was not encouraging. I lost that order because my firm would have nothing to do with time payments except in the case of large orders from large institutions whose credit was as good as the Bank of England. My firm was the oldest, the largest and the most conservative in the business. It was not that it did not believe in expansion and more orders. It had a large plant employing a thousand men. But it had no idea that the new business it needed could only be reached by new methods. It had no notion of backing up what I was doing by the printed word. If you leave out a few manufacturers of soap, chocolate, cigarettes and such proprietary articles, advertising in England in those days was without either heat or light.

Here I think, lies the principal difference between two markets using the same language. There is, in America, no wall of insulation between the seller and his prospect. The latter subconsciously concedes the salesman full rights, as a human being in good standing, to life, liberty and the pursuit of happiness, which in his case consists of orders. They are for the most part in tune with each other, even though the client is not in immediate need of goods. This state of mind has been fostered by advertising on a scale so enormous that stay-at-home English people have no conception of it. Their sales resistance is still high. To the idea of instalment buying they still attach a stigma of disgrace.

In the case of laundry machinery, to take a homely instance, the manufacturers never studied the kind of papers and magazines laundry-owners might be reading. My firm, for instance, used to run a small advertisement in "Engi-

(Continued on page 190)

\$25 a Week for Retail Salespeople

By EDWARD A. FILENE

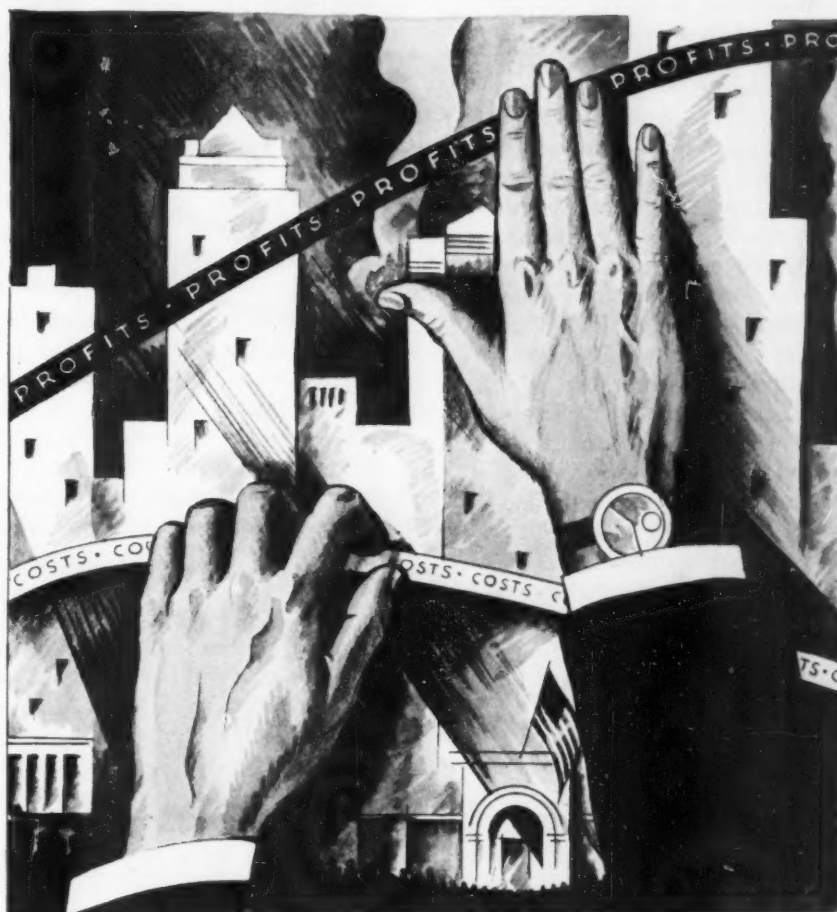
President, William Filene's Sons & Company

DECORATIONS BY GEORGE LOHR

It is no longer necessary to argue that high wages based on high production are good for business. In the United States, at least, industrial leaders are almost universally agreed that our high wage system is one of the principal pillars of American prosperity. High wages mean more buying power. More buying power means more sales. More sales force more production, more employment, still more buying power, still more sales, and still more production.

The action of this beneficent cycle is now quite as well understood as is its opposite—the vicious circle beginning with the closing down of some industry, the consequent creation of unemployment, the resulting restriction of buying power, leading to fewer sales, still less production, more shutdowns, more unemployment, collapse, hard times.

Retailers, however, are likely to perceive difficulties, no matter how well they may understand the philosophy of high wages, in actually putting the principle into practice in their stores. Argue as we may that the step is necessary, these difficulties cannot be ignored. It would be better, undoubtedly, for business as a whole if the employees of busi-



By accurate fact-finding we can not only pay higher wages but we can also increase profits while doing so

- IF YOU are a manufacturer hiring workers, you can measure their efficiency. But if you are a retailer hiring salespeople, you find it difficult to determine whether you are paying them too much or too little. Mr. Filene suggests a minimum wage for retail clerks and tells why

ness could buy two or three times as much as they are buying now. Business as a whole, however, doesn't seem to be conducting any specific retail establishment; and those who do conduct such establishments can hardly be expected to double their pay roll in any blind act of faith. They have a right to ask, not only whether business in general will be

benefited by such a course, but how their own particular business is going to stand the strain.

The answer is that increased wages must be based on increased production. Not necessarily on speeding up, in the sense of making everybody go through more motions per minute and get fagged out earlier and earlier each day: but

some way must be found whereby each person's labor shall be made to count for more than it has been counting if wages are to be adequately raised. These are conditions, not theories, which we have to meet. It must be remembered on the other hand, however, that the necessity for high wages is a condition, not a theory, too. For production is increasing rapidly and productive capacity is increasing even faster.

More purchasing power needed

UNLESS there is more purchasing power to keep pace with this increased production, the market will be glutted and production itself must slow down. The

problem for the retailer, then, seems to simmer down to the necessity for doing something which he seemingly cannot do. But that, fortunately, presents no dilemma to the wide-awake American business man. He knows that our industrial advance during the past 20 years, has consisted exactly of doing things which, with existing data, seemingly could not be done.

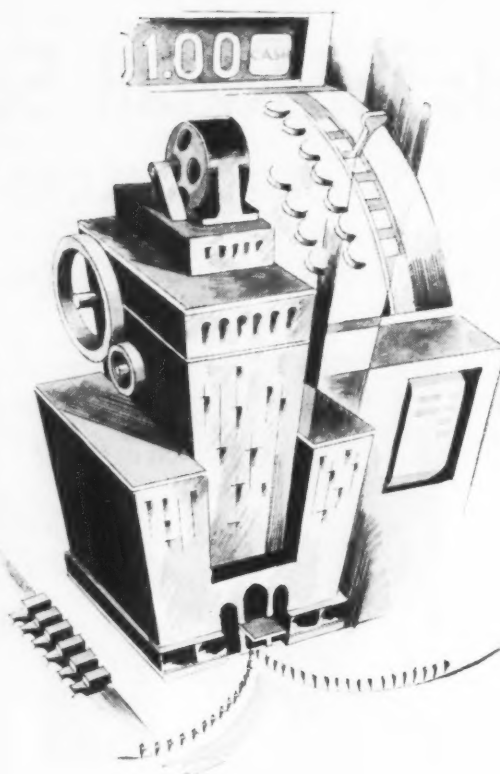
What was necessary in all cases was to find out how to do it, by scientific research, by abandoning mere tradition and mere opinion, and by introducing management based on exact determination of facts instead of managerial opinions.

This is what made it possible for Henry Ford to make the biggest of motor car total profits out of the smallest of motor car prices; a process which, instead of ruining competitors, resulted in the development of the other great giants in the American automobile industry, all giving values which were impossible before, and paying wages which were previously unheard of.

There is no reason to believe that the retail business cannot make this grade. Retailing is not manufacturing and we cannot imitate in detail what any manufacturer has done. But we can grasp the principle. By accurate fact-finding, we can not only find out how to pay higher wages, but how to make more profits by doing so.

Salespeople, to be sure, and even the other employees who are not engaged in direct selling, cannot be measured in the same way that the manufacturer customarily measures the ability of an industrial operator. A store is a machine for selling quite as truly as a factory is a machine for making things; but it is a different kind of a machine, and one in which the exact part which each person plays is more difficult to determine.

It doesn't matter so much where a punch-press is located; an operator on the seventh floor rear may accomplish quite as much as one upon the ground floor front, but two salespeople, with identically the same counters in such different positions, must make a very different record. Other factors are quite as variable—the kind of goods sold, for instance, style fluctuations, even weather conditions, or the fact that the local football team happens to be playing out of town, may have a distinct influence on the efficiency of the selling machine, and therefore of every unit in it. A good



A store is a machine for selling just as a factory is a machine for production

season for baseball supplies, in fact, might be a very bad season for rubbers and umbrellas, with no discredit whatever to the rubber and umbrella salesmen.

These and a hundred other things complicate the problem of setting up standards as a basis for proper incentive payments. But the fact that a problem is complicated does not mean that there is no solution. The industrialists had problems else there would have been no science of management. What the management engineer has done for production he can do for retail selling, once given a proper opportunity.

Better management required

TO pay high wages, it is necessary to have a more than average quality of management, because only excellent management can make higher wages possible. Suppose, then, that we establish our standard just as they do in a factory. We set the 100 per cent—the point at which the wage-earner is satisfactory. Under normal conditions, this 100 per cent should be attained by all employees, and surpassed in varying degree by the more competent. The factory may set the figure at 60 cents an hour because it is dealing with those working

by the hour. The retail store will set the figure—at what?

There's the rub. For it is only recently that the necessity for high wages has become apparent: and the traditional thing to do would be to set the figure with sole reference to the labor market. But to set it in that way would be to dodge the problem entirely. The wage for which workers may be willing or forced to work has now become totally inadequate for business purposes.

Ford started something

FORD had no trouble getting men at \$2.50 a day, when he first installed his \$5.00 daily minimum. If Ford had not done that, and made such a tremendous success in doing it, American industry might today be lagging back with European industry, practically notifying the workers that the only way they can hope for a raise in pay is to unite against their employers in forcing such a raise.

Wages raised by these class-struggle methods have been known, it is true, to prove advantageous in the end to the industry concerned by forcing technical and managerial betterments. But the process has usually been wasteful and carried many penalties. For the worker, like the employer, has supposed that the problem was one of getting paid as much as possible for a day's work regardless of results delivered. Consequently, when class-struggle methods have forced a raise, they have often been accompanied by restrictions upon output—restrictions which make scientific management impossible.

Employers, then, finding themselves unable to pay the increased wage out of increased production, almost uniformly tried to pay it out of increased prices for their product. But this was no solution. The increased price meant fewer sales and entailed still further restrictions on production, with consequent increase of overhead and therefore of production costs, to the great disadvantage of producers and consumers alike.

Since higher wages can be paid only out of increased production, it is imperative that management be free to follow scientific methods, and that it shall not be restricted by traditional opinions and prejudices, either of employers or employees. Better management, if freed to do so, can raise wages; and wages, in the long run, can be raised in no other way. But scientific

management, especially in these days of mass production and mass distribution, cannot undertake this job by the use of any traditional standard. It cannot say that existing wages constitute the proper standard. That would be dodging the problem. It would be a declaration that wages are not a problem of management, but that labor is to be bought wherever it can be found at the cheapest market price; and that management, while willing to pay more for special excellence, is interested in keeping the general standard low.

Successful managers know not only that this market-determined wage is insufficient, when viewed as buying power, to meet the present-day demands of business for a ready market for goods, but that it constitutes an utterly insufficient incentive for each worker to do the best he can.

The exact wage which may serve both these purposes best may not now be known. Ford, although his \$5.00 minimum was supposed by many to spell his ruin, was not long in changing it to \$6.00 and then to \$7.00: and now, instead of proclaiming that \$7.00 a day is the perfect minimum, he is constantly pointing out that wages must go higher and ever higher.

Some temporary standard must be set, however, either in a factory or in a retail store, if the manager is to solve this problem profitably, and the standard must be well above the average existing wage. I suggest \$25 a week, and I am prepared to defend it as a perfectly reasonable minimum wage for retail store employees—\$25 per week of a definite number of hours.

To make better workers

JUST a few years ago, most retailers opposed the setting of any minimum whatever and where a minimum wage was adopted, efforts were made to recoup the "loss" by marking up the prices. This illustrates the difference between scientific and traditional business. The scientific manager, confronted with a minimum wage, knows that mark-ups cannot permanently recoup a loss; and it will be his first business to see to it that no one's wage is a loss to the organization. In other words, he will show the salesperson how to be worth the higher-than-usual figure.

It is conceivable that he may reduce the force—conceivable, but not probable. If he shows 500 employees how they can accomplish as much as 1,000 employees were formerly accomplishing, it must be supposed that he would let the other 500 go. But it does not work

out that way. The same methods will double the efficiency of the 1,000; and the organization, instead of doing its work with half its force, does twice as much business with the usual number of employees.

The lay-offs occur, not in such organizations, but in the organizations which ignore scientific management and still try to run along according to the old traditions. As these unscientific organizations go out of business, it does not mean that their employees shall be permanently out of work. There is nothing wrong, as a rule, with the employees except that they have been managed badly, and they are absorbed presently in the organizations which are managed well.

Higher wages, instead of being the bugbear which employers have traditionally imagined them to be, are one of the profitable necessities of efficiently managed business. A mere bonus system, even at its best, cannot be so dependable a source of profits. A bonus may induce employees to work harder and it may from time to time inspire them to think of some improvement in

method. Fatigue, however, is not conducive to thought; and the employer who depends too much on mere speeding up is not likely to develop a maximum of initiative among his employees.

Scientific management does release this initiative. That is one of its prime specialties. It studies every employee, not merely to discover how he may be spurred to greater effort, but to discover his hidden potentialities.

A wealth of hidden talent

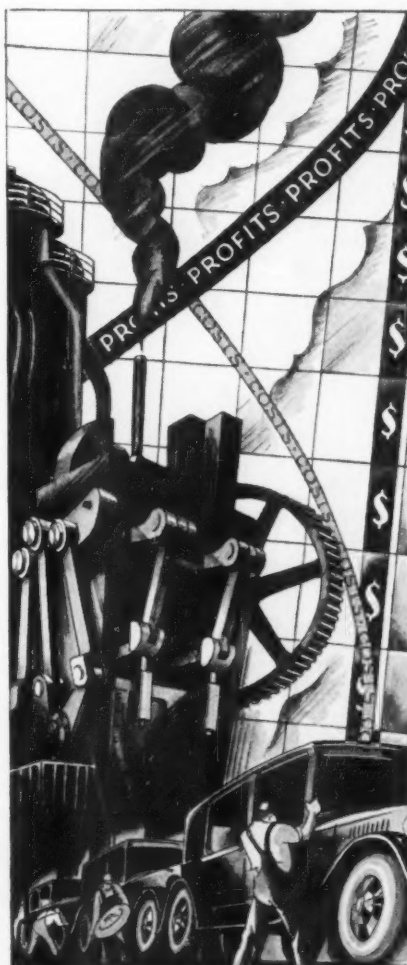
THERE is a wealth of talent in every organization, often unknown not only to the employer but to the individuals possessing it. Any properly managed organization will be equipped to explore and to utilize this hidden talent, stimulating it not only with financial but with non-financial incentives. As this work goes on, cooperation develops, and the employees feel themselves more than employees.

An organization, either in production or distribution, which solves the wage problem in the scientific way is in a position to meet and beat all competition. It is particularly in a position to reduce prices, and, because it is guided by fact-finding, will reduce prices whenever possible.

Other advantages of the high minimum wage will immediately occur to readers. I have purposely not mentioned them, because they are so obvious that any reference to them at the start might have drawn attention away from the greater advantages. It is obvious, for instance, that a \$25 minimum wage would attract to any store which installed it, the highest grade salespeople.

The employment office would have a better educated, more intelligent lot of applicants to draw from; and the public knowledge that the store is manned by such a select personnel would be the most desirable sort of advertisement.

The problem, however, cannot be approached successfully from that angle, for the moment one does it, he thinks of high wages in terms of a tax on the business which, with good luck, may be wholly or partially offset by proper publicity, just as he imagines a donation to some popular charity may prove in the end to be good business. But high wages are not a tax—not even a fair tax. They are part of the process of scientific management and one of the most necessary steps to greater profits.



High wages based on high production mean higher profits

The Correspondent Bank and

By H. P. Turnbull and C. R. Berrien

Vice Presidents, Central Hanover Bank and Trust Company, New York

ILLUSTRATIONS BY R. L. LAMBDIN



A banker cannot know his customers too well. Nothing else will provide the understanding that warrants help in emergencies

SINCE the collapse in the stock market last year, a slower pace has been made by "the new movement in banking," which was signalized in 1928 and 1929 by aggressive steps toward branch banking expansion including especially steps in chain or group banking. It has been retarded like other things about which we used to hear in the spring and summer of 1929. The change in these directions seems

related to the fact that the country, since last autumn's upheaval, has passed out of the "new era" of illusion and has gone back to the old-fashioned idea that as between making money and earning money it is better to earn it.

Since the successful integration of the Federal Reserve System with our economic structure, nothing in our American banking system has called for such a radical change as would be denoted by its conversion from a system of 24,000 independent, self-controlled banking institutions in free cooperation, to a system of far-flung branch banks or to a system of feudalistic dependencies of holding company overlords.

Too quick comparisons

FALSE analogies drawn from the sweep of economically valid processes of consolidation and chain welding in the field of productive industry and distributive trade, have been applied to "the new movement in banking" to give it the semblance of validity. The tenets of standardization, mass production and mass buying power do not, however, apply to banking. Banking is not manufacturing; it is not merchandising. It has much to do with both; it is



d Progress



IN MANY quarters chain and group banking is seen as a necessity if financial needs of great industrial units are to be met. Some feel that the day of the individual bank is past. However, here are two men who declare that the small bank must play as vital a part in future progress as it has played in the past

like neither. It is agreed that banks, like public utilities, are affected with a public interest. This agreement does not go far enough.

Institutional banking is the least private, the most public, of all our economic activities. It is governmentally examined, supervised and regulated. It was so dealt with long before the regulation of interstate commerce amounted to anything. The reason for this is clear. Only one-fifth of a bank's operation is done with its own capital; four-fifths of banking is done on the public's money.

The banker renders service. He does not produce or sell anything resembling goods or commodities. To the extent that he renders the best possible service to his community in accordance with sound principles and prudent policies, he will prosper as the community prospers. Service, not profit, must be his primary object. During the fanfare of "the new movement in banking" last year we heard altogether too much about banking profit and about the market for bank stocks.

In the hands of depositors

IF THE banker devotes himself to conducting a good bank and avails himself of all the cooperative facilities which have been evolved in our banking progress, his bank's profits will take care of themselves and the market will take care of the price of his stock.



Since last autumn's upheaval the country has come back to the realization that it is better to earn money than to make it

Most of the discussion of "the new movement in banking" has been confined to bankers. It is time for business men to discuss it. The future of American banking is not really in the hands of the bankers; it is in the hands of the depositors. A bank's resources are its liabilities. Eighty per cent of our banking resources are our deposit liabilities. Most of the scores of billions of dollars of deposits in our banks are the funds of business. We have built up an American banking system which has held the funds of business available for and directed them into the channels of business employment. Do the business men

of America know if their funds will, under a radically changed banking system such as would be implied by widespread branch banking or chain banking, be as available for business employment as in the past and as they still are? We saw in the last two years how the pump of a high money rate draws funds toward financial centers. If banking pipes for the flow of funds come under the control of the financial centers what will be the probable result? The question answers itself.

Economically, the greatest difference between our country and other countries is our individualistic banking sys-

tem. Our separate banks, locally owned and conducted by managements which are responsive to local need and local opportunity and responsible to local opinion, each a part of its community, interested in its welfare and sharing in its prosperity or adversity, have been the greatest contributing factor of our economic progress.

Individualism built our banks

POSSESSING independent initiative and freedom of action, our bankers have been able to encourage initiative and enterprise in their own localities and the sum total of local enterprise has grown into the great volume of production and distribution which supports a standard of living for our 125 million people that is the world's envy. The banking system of every other important nation is actually, or in effect, a branch banking system. What other country can match the diffusion of our wealth and the general well-being of our people? Our individualistic banking system is just as definitely related to our economic development as the branch banking systems of other lands are definitely related to the economic development of those lands.

There was never less reason for projecting a revolutionary change in our banking system. It has proved itself adequate to all the expansions of prosperous endeavor.

The failures in the face of this accomplishment have been negligible. Banks under national charter and banking institutions under state charter have

worked out a splendid coordination through membership in the Federal Reserve System. In a decade and a half of terrific test, the Federal Reserve System has justified itself and has added tremendously to the ability of our independent banks to improve their services. More than that, the Federal Reserve System has so multiplied the factors of cooperation between our thousands of separate banks as to safeguard their individual independence.

In one most important respect the Federal Reserve System has contributed indirectly to this end. It provides the facilities which enable the correspondent banks in reserve and central reserve cities to provide adequate backing and support for their depository banks. The function of correspondent banking cannot be too strongly stressed in any consideration of our banking system and what its relatively unchanged preservation, except along the lines of normal evolution, means to American business.

The vast majority of our banks need relationships which the Federal Reserve System cannot fill. The restrictions on the credit extended by the Federal Reserve banks to member banks leave more than 20,000 banks with large credit needs which only their correspondent banks can meet. The Federal Reserve banks cannot take care of the requirements of these banks for the discount of paper in excess of the lines of

credit which they are legally able to grant. The Federal Reserve banks cannot take care of the requirements of thousands of banks for accommodation on their own unsecured paper; nor for accommodation on paper collateralized by securities outside the Federal Reserve categories of eligibility.

The Federal Reserve System in no way meets the need of thousands of banks at various times to find employment for funds under their control which temporarily exceed the demands of their local market. Correspondent banks do all these things and their ability to do them has been immeasurably enhanced by the recourse which they may have to Federal Reserve banks to obtain funds to meet more than ordinary requirements of their depositaries.

Next to the individualistic character of American banking has been the evolution of correspondent banking as a distinguishing feature of our banking system. Indeed, correspondent banking is an essential part of the development of our banking system on the foundation of independent banks. It has been the mainstay of our banking system made up of independent banks in free association with one another; it is the bulwark of our banking future.

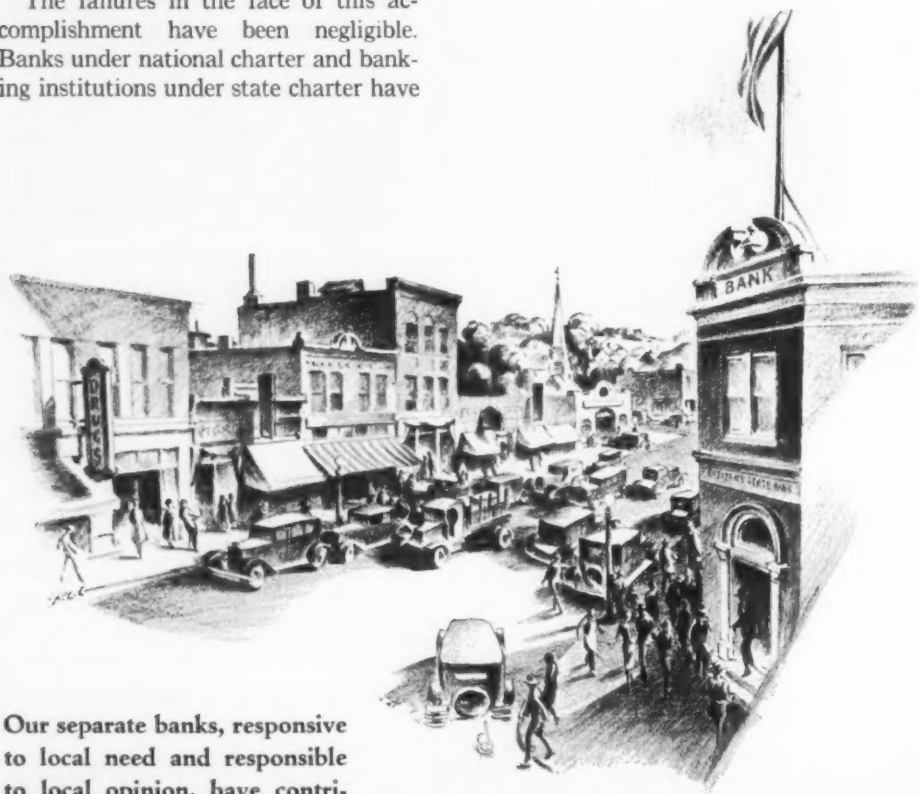
Each bank has its own capital and its own organization ready to do business with the people of its community. Our people understand banks of that sort and banks of that sort understand our people. The more personal the contact the better for both and the better for business as a whole. A banker cannot know his depositors too well. The greater his familiarity with the character and affairs of each of them, the greater his ability to serve them as individuals and to serve the community.

Personal service

THE customer and the banker deal with each other as principals; and no standardized or feudalistic substitute can ever satisfactorily take the place of this personal understanding and mutual confidence.

Nothing else will provide the appreciation of conditions which warrants help in an emergency or the courage and foresight to assist in the development of a worthy enterprise. When you take away from a depositor the privilege of talking over his affairs face to face with his re-

(Continued on page 168)



Our separate banks, responsive to local need and responsible to local opinion, have contributed to economic progress

A Priceless Treasure of Business

By EDWIN C. HILL

Special Writer, the New York Sun

IN 50 YEARS of collecting, Prof. E. R. A. Seligman assembled a business library on which experts could set no top value. He has made it available to students of economics

AMERICA is amazingly rich in hidden treasure. I don't mean the kind of treasure that is revealed from time to time in the testaments of obscure millionaires—unsuspected hoards of cash, and stocks, and bonds, and gems. Revelations of that kind have been so frequent that the newspaper reader scarcely raises an eyebrow over them any more. What I mean is the kind of treasure patiently and selectively accumulated over a long period by men of intellect enthusiastically devoted to some one particular specialty of learning.

That is the kind of treasure which was gathered together over the sweep of 50 years by Edwin R. A. Seligman, professor of Political Economy in Columbia University, and an important figure in our economic history. With great wealth at his disposal and with the guidance of a remarkably informed and discriminating mind, Professor Seligman accumulated piece by piece and item by item a library of 50,000 books, pamphlets, autograph letters, broadsides and even handbills which goes back to the very beginning of our literature on the history and practice of industry, commerce and finance.

It is certainly the most important, extensive, comprehensive and valuable business library in private hands and probably, even, in any public holding. It is not only unique, according to the experts of bibliography to whom I have talked, but it probably could not be duplicated over any number of years no



The volume Professor Seligman is holding was written by Thomas Aquinas and hand-lettered by monks in the Thirteenth Century

matter how much money was made available for doing so.

Now in Columbia University

THE public became aware of its magnitude, importance and value only when Professor Seligman, moved largely by sentiment, turned it over to Columbia University for a tithe of its estimated commercial value.

It is now in Columbia's great library

under the title, "The Seligman Collection," and as long as Columbia endures it will be at the service of young men and women whose minds turn to the field of economics.

There are many kinds of collectors in the intriguing avocation of gathering and hoarding the rarities of this world, its masterpieces of painting and sculpture and tapestry, its first editions, its antiques, and not a few are moved by a perfectly human impulse to advertise

and publicize their successes and triumphs.

The gentleman who accumulated so patiently and skillfully the world's most important library of economics shrank from any such trumpetings. With the shyness and congenital distaste for self-advertisement often found in great scholars he kept the secret of his incomparable accumulation almost to himself, sharing it only with his intimates. That is why its sudden discovery by the public created a sensation and was cabled all over the world.

Not valued by dollars

WHAT is the Seligman collection worth in dollars? That is a question impossible to answer with even approximate accuracy. It is a point which Professor Seligman courteously declined to discuss with me and with others who expressed natural curiosity on the subject.

Various estimates have been made. One was that the 50,000 items of the collection are worth probably three million dollars. It is reliably understood that the Soviet Government of Russia, now building up in the Kremlin a vast library in the field of economics, offered Professor Seligman at least one million dollars, and that the Professor returned a flat No! There is good reason to believe that Japan made a similar offer, and that the Professor declined this offer also—with careful courtesy.

He himself will not say whether either Russia or Japan bid for his library. I am informed, however, by one of the most distinguished bibliophiles in the country—one who made a survey of the library and who recommended its acquisition to the trustees of Columbia—that such offers were made.

The Soviet Government was eager to get the Seligman collection. It is definitely known that Soviet agents have combed the bookshops of Europe and England and that these book hunters, and agents of the Japanese Government have pretty well cleaned out the worthwhile volumes and papers that had remained in the hands of booksellers or in private collections offered to the market. The Japanese are endeavoring to replenish libraries destroyed in the great earthquake and fire of 1924.

It is also a fact, though one which Professor Seligman himself declines to confirm or deny, that Harvard University offered one million dollars for the collection, and it is known that the economist politely declined the million.

He preferred that his own Columbia should have the benefit of his half cen-

tury of collecting. He has been with Columbia for so long, some 40 years, that he felt sentimentally and even morally obligated not only to transfer his library to the great institution on Morningside Heights but to name a price considerably lower, by credible report, than he could have had from Russia, Japan or Harvard.

Most of the honors that he has won have come to him through his association with Columbia, and he had come to the time of life, he considered, when it would be well to plan for the safety and permanency of a collection which could not be duplicated or replaced. Various guesses have been made as to what Columbia paid. Professor Seligman denied one such guess—\$500,000—but was silent, as is Columbia, regarding the true figure. It scarcely matters. One goes back to the comment of the New York bibliophile who studied and surveyed the collection:

"It is not possible to put a value on Professor Seligman's library. The market no longer offers or ever again can offer the hundreds and even thousands of items he possesses. The point is entirely academic. You can say the library is worth two million or five million, if you please. It doesn't matter. It is one of those circumstances in which money no longer counts."

I called on Professor Seligman in his private office in the Department of Political Economy at Columbia. An urbane and gracious man of the world, for all of his retiring scholasticism, he received me courteously and discussed with only an occasional reserve the interesting items of his accumulation.

Old tomes of mediæval times

ON THE shelves of one of his book-cases in the office were arresting old tomes of clearly mediæval date—great, ponderous volumes, bound to last for centuries (as they have done) in boards and heavy leather, with covers locked by ornate clasps of silver, bronze or brass; hand-tooled and illuminated by patient monks who were toiling at their agreeable tasks while Henry VIII was King of England, before Columbus set foot on San Salvador—the Incunabula of ancient monasteries, still exuding the musty breath of long dead centuries.

"I started my collection when I was 18, nearly 51 years ago," said Professor Seligman. "From my boyhood I was interested in economics and instinctively began to acquire unique works in that field. I began modestly by searching in secondhand bookshops, finding now and again some real treasure which

clated me. Then, as the collection grew, I sought the aid of booksellers and agents the world over, and enlisted the interest of private collectors who were willing, for one reason or another, to dispose of their treasures.

"I visited Europe myself many times following up some clue or other as to the location of a particular volume or set of papers or perhaps a single document. In every country I had intelligent and experienced agents incessantly hunting for items which I needed to fill in chinks of the collection, or in scouting generally for the unique and important works of the sixteenth, seventeenth, eighteenth and early nineteenth centuries in the fields of trade and finance.

A wedding present in 1887

"MY FIRST large acquisition was the library on American finance which had been collected from 1830 to 1880, by Albert S. Bolles of Philadelphia. My brothers gave that collection to me as a wedding present in 1887. Some time later I was able to purchase one-half of the remarkable collection assembled by the celebrated English economist, Francis Place—an interesting man. He was a tailor by trade, although a great economist, and in spite of his vocation played a big rôle in the economic history of his time, from 1810 to 1830.

"Most of the great men of the day in London went to Place to have their clothes made. He had a fine mind, that most unusual tailor. He wrote a great deal on the birth control movement and the birth control archives in the library go back to 1823 and include rare copies of handbills circulated at that period warning that the growth of population in England must be checked for economic reasons. There is also a history of this movement, for which many people were clapped into jail, entitled 'History of the Diabolical Handbills.' None of these is to be found in the British Museum.

"One of the most important first editions in the collection is 'The Key to Wealth' written by Potter in 1650, the first books published on banking. Another important volume is 'The Way to be Rich According to the Practices of the Great Audley,' and is by 'the great' Audley himself. He was an English money-lender of the seventeenth century.

"There is also the first volume on the subject of transportation, written by Dymock and printed in 1651, and having to do with the inventions of engines of motion. A rarity is 'A Friendly Check from a Kind Relation,' bearing the im-

print of J. Franklin, printer of Philadelphia, 1720. It is believed that this book was set up in type by young Benjamin Franklin while working in his brother's printing shop.

"There were few collectors in the field when I began. I had wide opportunities and was able to obtain at absurdly small prices some rare and important books and documents.

"I went into the shop of the celebrated London bookseller, Bernard Quaritch many years ago and noticed, while prowling through the stock, that Quaritch had accumulated duplicates of many items from the British patent office—authentic and authoritative official reports on trade and money—such subjects as that. So I asked Quaritch what he thought they were worth and he said I could have the lot for a shilling apiece. They can't be duplicated today. They simply don't exist outside the archives of the British Government.

"Some of my experiences while book hunting through Germany in the old days were fascinating. I was eager to acquire works on Socialism and the principles and history of the movement—Karl Marx's manifestoes and such things. But they were difficult to find because booksellers were forbidden to sell them. It meant a fine and imprisonment. The authorities were extremely severe about the matter. Of course there was a good deal of bootlegging in this Socialist literature—or should I say 'Booklegging'?

"I have been guided on tiptoe and with bated breath into some dim, mysterious region of a German bookseller's place of business and there shown whatever of a Socialistic nature in the way of books and pamphlets he happened to have.

"Of course I was able to acquire such things for remarkably reasonable prices. I have all of Karl Marx's writings, including the famous Communist manifesto of 1848. The German section of the library is especially strong in the Cameralist literature of the eighteenth century and in all of the Socialistic and Communistic literature, including, as I say, not only the works of Marx, the

leader, but of other well known exponents of the doctrines.

"Some of the most beautiful things in the early Americana came from an old garret in Utica, N. Y.; works on trade and the history of money, bought for almost nothing and now worth, some of them, from \$300 to \$600 apiece. There are volumes in the collection that might be valued at \$3,000 or even more individually.

"One of the rarest and most valuable, I consider, is Woods's book on the early

"The Americana of the library are of the greatest interest and importance. Their varied literature relates to Colonial currency, business and banking problems, the origin and rise of canals, railroads and steam shipping, taxation, banking, trade practices and ethics—a broad field. The collection of early canal literature of the eighteenth century and the early railroad literature of the nineteenth century in both the United States and England is extensive and contains many extremely rare items.

"The pamphlet literature of America up to the Civil War is strong in Labor, Free Trade and Protection, Money and Banking and Public Debts and Transportation. The Americana on Money, Trade and Finance contain most of the important items of the eighteenth century, many of which are of extreme rarity.

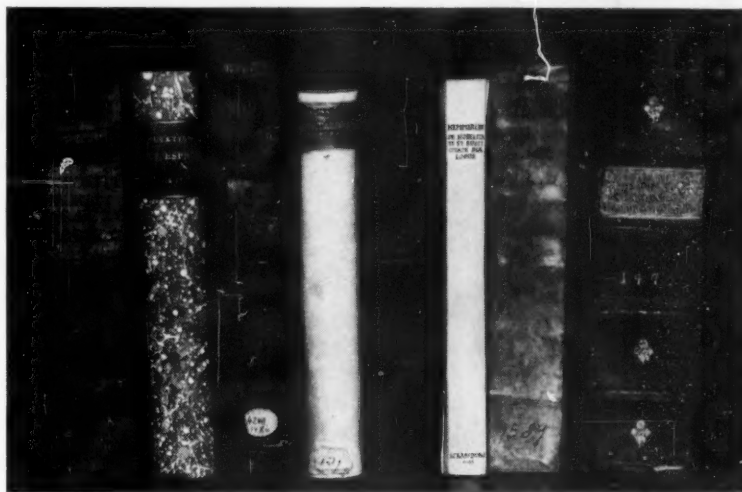
"There is an almost complete collection of early English and American labor periodicals being much rarer than the English publica-

tions of the same general character. There are extensive accumulations on Foreign Exchange, the Mint and Postage, going back to the earliest times. Another important group of volumes and paper covers the South Sea Scheme, including three volumes of undated manuscripts from the hand of John Law himself, and volumes and papers on the excise controversy of 1732 in England and on the Asiento literature.

"There is a wide group of original printed and manuscript references covering the early literature of fire and life insurance, and the collection on the Bank of England and the early projects for land banks is probably unique. British foreign trade, including fisheries, tobacco, cotton, silk and many other commodities is fully represented, and that portion relating to England's commerce with the East Indies is particularly strong. Practically all of the English pamphleteers, including Dean Swift and Defoe, are represented, along with a set of the extremely rare Mercator.

"In the field of French literature there is a complete collection of sixteenth and seventeenth century works on eco-

(Continued on page 164)



BLANK & STOLLER, N. Y.

The Seligman collection contains many rare old volumes published in Latin in the Fourteenth and Fifteenth Centuries

history of Massachusetts and on the development of trade and finance in the colony and commonwealth. That is easily worth \$3,000 if any price at all may be set upon it. It is difficult to say about such things. I doubt if I could tell you the sum total I have spent over half a century for all of these volumes and papers. I wouldn't if I could. Their money value has small interest for me. I prize them and love them for their intrinsic worth—for the light they throw on the development of men's minds as trade and commerce grew and banking came to play such a tremendous part in economics.

"The library contains all of the reports and books by Alexander Hamilton, when that great financier was Secretary of the Treasury, and before and after he held that post; the books and reports made by the celebrated Albert Gallatin and similar documents from the pen of Dallas. It contains also a large collection of original signed letters from practically all the leaders in economic thought for centuries—the outgivings of such great minds as Turgot, the Frenchman; Adam Smith, David Hume and John Stuart Mill.



EWING GALLOWAY

Less than 20 years of progress made this change at Fifth Avenue and Forty-Second Street, New York

FROM a New York office window at No. 1 Madison Avenue we watched the wreckers demolish a splendid building—not an archaic Victorian structure—but a really first-class steel framed skyscraper less than 20 years old; steel work as good as new was burned out deliberately, ruthlessly; masonry fit for another century was tumbled down as worthless rubbish and unceremoniously hauled away. Such wear as the building showed was trifling and on parts easily replaceable. Depreciation was negligible but millions of dollars' worth of apparently serviceable property was condemned because it no longer suited the location, an outgrown design that could no longer earn the required rents and which impeded the development of adjacent property; premature death of an enterprise because of a business error, the result of forces not foreseen. Millions wiped out through obsolescence—growing pains.

Such examples are becoming so common! Such buildings are usually financed on a plan that provides for a

life of 50 years, yet in Chicago the Takoma Building stood only 40 years, and in New York the Pictorial Review Building probably less than ten years—all wiped out because ostensible assets had proven to be liabilities. These physical structures were wrecked but left behind the residue of the financial structure on which they had been erected. Presumably in these cases an item of from 20 to 80 per cent was not amortized but left as a loss to be absorbed by the owners or passed on as a charge against the succeeding structure, an item that distorts values and raises rents, a dislocation expressing the way the fi-



CHARLES PHELPS CUSHING

Obsolescence,



BUSINESS insures its property against fire, theft and similar losses but few industries have learned to protect themselves against obsolescence, a force which threatens complete disaster if not conquered.

Although no commercial company writes such insurance the wise manager can, by his own efforts, provide his own protection

nancial plans have failed to keep step with physical developments.

In connection with the Government's program for new buildings in Washington, they have taken over a structure formerly occupied by the Southern Railway and I am informed that building and site cost \$2,500,000—\$750,000 for the site and \$1,750,000 for the building.

In other words the Government must pay \$1,750,000 for a building to be wrecked. A beautiful illustration of the cost of obsolescence.

Since millions are involved the growing pains are truly acute.

What is necessary to endow the financial structures supporting these enterprises with perpetual youth? Evidently obsolescence has wiped them out early in life and presumably it was invisible, unrecognized until perhaps too late. Unless provided for, obsolescence can destroy the financial structures supporting these skyscrapers just as white ants insidiously destroy a structure of wood. Also, as tiny bits of sawdust betray the damage done by the ants, evidences of progress should lead one to suspect financial weakness

e, a Persistent Competitor

By W. H. RASTALL

Chief, Industrial Machinery Division, U. S. Department of Commerce

through obsolescence—the threat of replacement before fixed charges have been amortized. The greater the progress the more rapid and severe the obsolescence.

Manufacturing industries face a similar difficulty but the ramifications are much wider. Gen. Otto H. Falk, Milwaukee machinery manufacturer, tells of a factory manager who knew how, with new machinery, he could save a million dollars a year but could not reequip because he lacked funds. A clear case of obsolescence-itis.

It also works in other ways. Last year we undoubtedly enjoyed a boom. Business was active. Most of the usual indices were high—many records were broken, yet a number of corporations

ended the year in the red, and whole groups struggled with "profitless prosperity." Is it not probable that much of this was the result of unintelligent competition inspired by excess factory capacity developed through retaining too long in operation decrepit and obsolete machinery? Sounds involved, but would these industries not be much better placed if they would but junk their junk? Otherwise they are caught in a cycle that leads to evil consequences and is all too common.

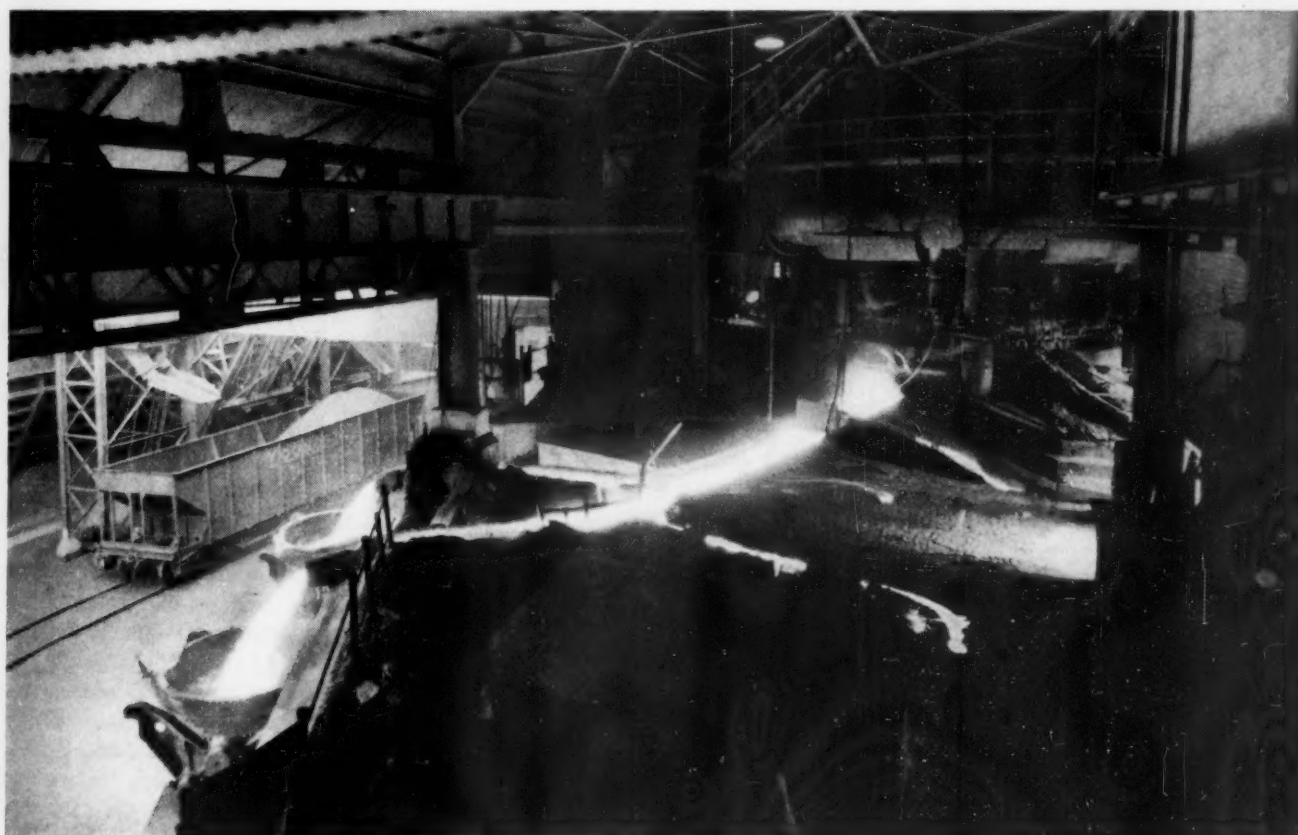
Ruthless obsolescence

THERE are many other kinds of obsolescence. Not so many months ago the women decided they wanted their

dresses ornamented with braided panels. To meet this demand, manufacturers found it necessary to install special sewing machines—good, durable machines that would not wear out in 20 years, but which were wiped out through obsolescence in 90 days because the fad passed. A malignant case of "style obsolescence."

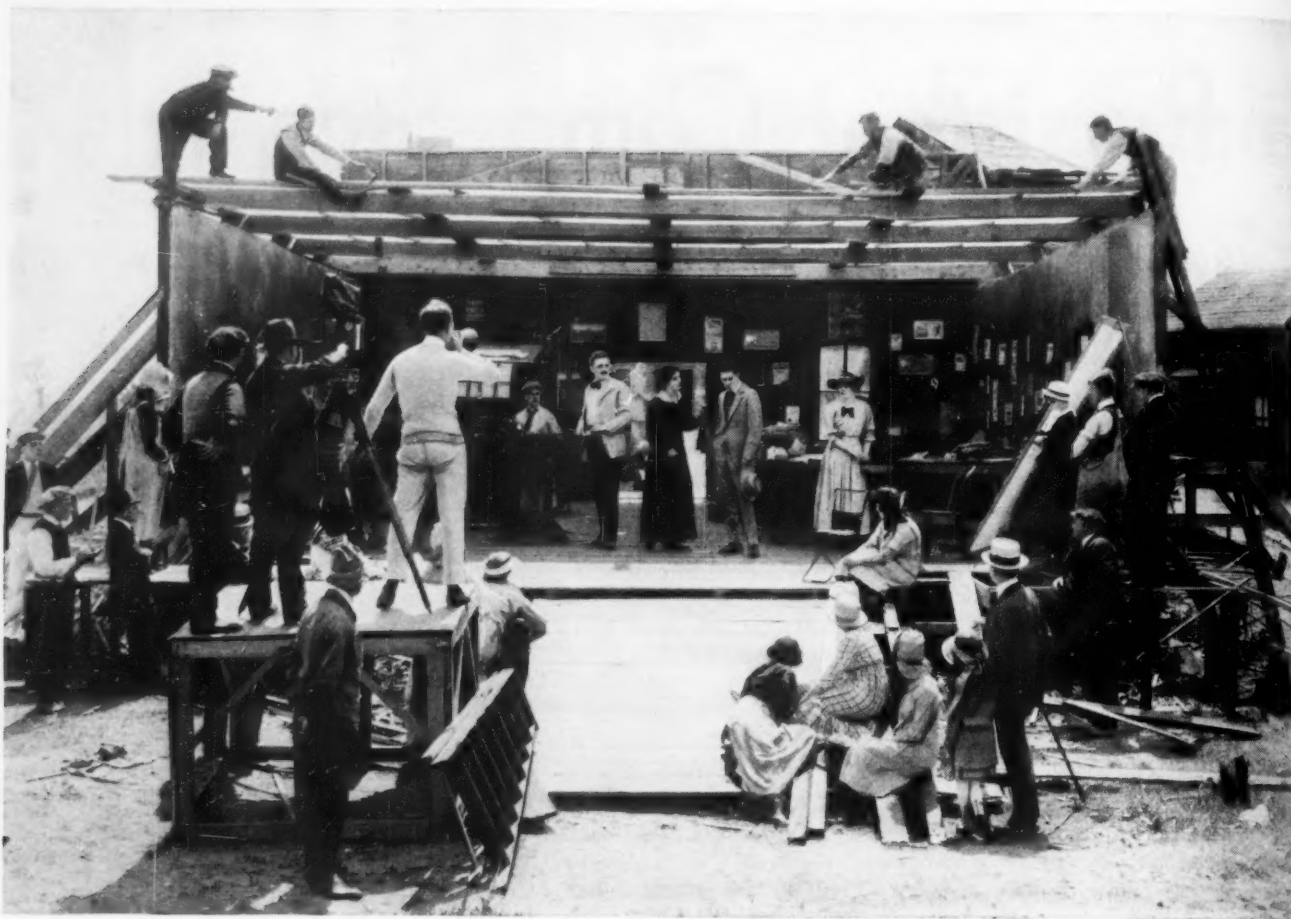
The accounting problem involved here deserves thought. Not only is clothing involved but houses and automobiles and hotels and their equipment and the equipment to make that equipment.

About 1925 the wood alcohol industry was apparently comfortable, happy and prosperous employing about 100 million dollars' worth of factories and



THE YOUNGSTOWN STEEL AND TUBE CO.

The steel industry knows that the equipment of this blast furnace must be replaced in 16 years but few industries have acquired such accurate figures on obsolescence



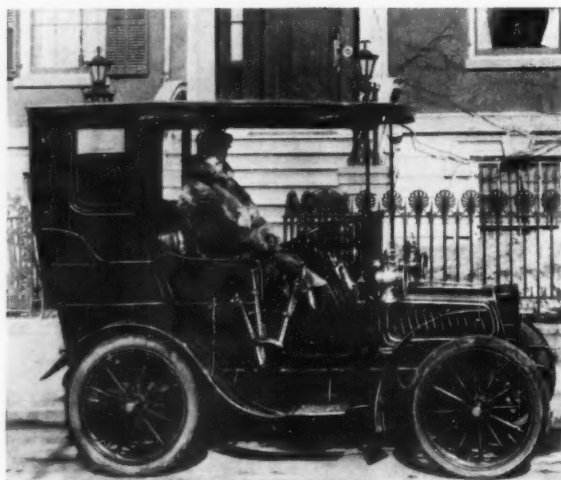
Once movies were made like this but the talkies made some stars as well as equipment obsolete

whatnot. Without warning, a synthetic product, methanol, was shipped in from Germany at ruinous prices. Here we had at least the threat that the whole investment would be wiped out, "technological obsolescence."

Out-of-date movies

BUT a few years ago we had only the silent "movies" and theaters were built for such exhibitions. Frequently these rooms were long, narrow with flat walls and ceilings. Now that we have the talkies, what think you of the acoustic properties of these buildings? What is the obsolescence cost to this industry resulting from this change? This is one of those rare cases where you hear obsolescence. Remember also that the musicians complain that they, too, are in the discard. What will the consequences of television be?

These cases may be rather startling, involving the loss of large sums to some and of jobs to others, but on the whole



BROWN BROTHERS, NEW YORK

The same force that makes this car look queer today is working on your business

such "style or catastrophic obsolescence" is probably much less serious as a business matter than "progressive obsolescence"—the little changes that are made day by day in an industry whereby the product or plant gradually, quietly, perhaps invisibly, yet surely, slips into the limbo of the superseded, ready for the discard, although management probably still tries to carry on

hoping for success yet unaware of the sources of failure.

These little differences may be the result of style changes, or development of consumer taste or technical progress, or new raw materials, or otherwise, but in every case, unless met, the results are deadly. The more rapid the change in style, the faster the progress, the more serious these costs will be and as General Falk says, "There is no dodging obsolescence."

We should not fear obsolescence or try to dodge it because it is a measure of progress and public welfare, but manufacturers should manage

their affairs to meet these costs. Obviously this is a problem in accounting.

An experience in Asia is illuminating. Thirty years ago American and British manufacturers of textiles enjoyed a flourishing business in China. More recently most of this trade has been lost to Japanese. Last year Anno S. Pearse, general secretary of the International

(Continued on page 162)

Why We Do Not Sell to Chains

By FAYETTE R. PLUMB

President, Fayette R. Plumb, Inc., Tool Manufacturers

As Told to William Boyd Craig

DECORATIONS BY GEORGE LOHR

WE DO not sell to chain stores. The individual hardware dealer can do a better job than the chain store of making quality merchandise valuable to the consumer. By quality merchandise we mean merchandise that possesses some unusual quality or characteristic which increases its usefulness or durability.

As manufacturers of nationally advertised tools, we have found that it pays better for us to deal with wholesalers and retailers than with chain organizations. Chain stores in our opinion do not offer the greatest possible service to the public, which is the *summum bonum* every manufacturer should be seeking. Whatever is good for the consumer is good for the manufacturer.

Chain stores have a definite place, admittedly, but that place is not near quality merchandise nor is it in the service field. They have advantages which loom large in the eyes of too many independents and blind them to the unique virtues in their own stores. It seems to be up to the manufacturers to reassure their independent outlets.

However, too many manufacturers are likewise scared by the chain-store buying-power bogey. The independent retailer has plenty of room for optimism, for after all he is capable of giving the public more real value for its money than is the chain store.

A thousand factors enter into any consideration of values; only the person involved can estimate



The sportsman seeking advice turns usually to the independent

WHEN a national manufacturer ignores the chain-store market to concentrate on the wholesaler and independent retailer there must be an excellent reason for his action. That reason, Mr. Plumb says, is the fact that independents can give more than price-tag value to the customer. He explains here just what this value is

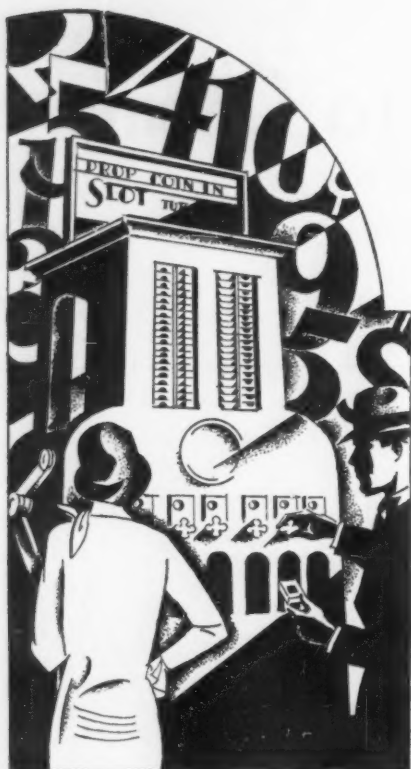
value accurately in any single case. A merchant fixes what seems to him to be a fair price on an article. And yet the article, whatever its nature, is going to have a different value for every individual.

Comparative values

A NAIL hammer costing 75 cents may offer the greatest value at that price to one who uses a hammer only occasionally for rough work. On the other hand, one who uses a hammer frequently might very well find that over a long period it would be economy to pay \$1.50 for a hammer more efficient in use and with a double life. The professional mechanic or the tool lover who takes pride in his set of tools might receive sufficient value from the beauty and efficiency of a superfine hammer to pay \$2 or \$2.50 for it.

These comparative values cannot be judged by appearances; it requires the experience and knowledge of the trained hardware man to bring out the different qualities and to judge the comparative values to the purchaser.

It is up to the merchants of the country to see that an ever larger portion of the merchandise sold has more than its tag value. Merchandise may be just so much material substance to a merchant, but his customers are a variable quantity. Every one of them has his individual wants which need and deserve special attention from an intelligent merchant. Giving more than price-tag values to customers is a big job, calling for a



When methods replace men, stores might as well be slot machines

resourceful, well-thought-out program. Even a chain store can give price-tag value, but it takes more than a system to do better. It takes knowledge and mental activity on top of all the most modern methods.

I make it a point to visit hardware retailers as often as possible. Recently I watched a good retailer selling wire in a small store in a country district in eastern Pennsylvania. The farmer knew exactly how many feet he wanted. The dealer measured the wire and cut it off. Had the farmer gone to a chain, he would have been compelled to buy more than he needed, because of the chain method of selling in bulk. The retailer finished a good selling job by chatting with his customer about crops and the weather.

He got just what he wanted

THE farmer got more value than was written on the price tag. He got exactly what he wanted, and intelligent suggestion and human interest besides. In another store I visited recently, a young woman came in to look at some stoves. She seemed rather interested in an electric stove, but the dealer, after hearing what sort of setup she had in her home, explained that she would likely get more satisfaction from a gas range. He questioned her on the size of her family and showed a kindly interest in all she had to tell him. The range he might

have sold her would have cost a bit more than the one she bought. In addition to a small saving, he gave her valuable, common-sense advice which came of long experience.

Not always is it necessary for a retailer to suggest a cheaper item. Frequently it is decidedly to the customer's advantage to choose a more expensive product. If a woman comes into a hardware store to buy a cheap hammer, it may be good salesmanship to persuade her that, by spending a little more, she can get a much better value.

A stranger visits a section of the country famed for its fishing to enjoy a few days of the sport. No matter what his equipment, he will likely seek the hardware dealer who handles the best tackle to get suggestions and advice. The stranger may make but a few purchases or he may get an entirely new outfit, depending on the dealer's knowledge and advice. There should be a world of comfort for the independent retailer in the fact that for just such specialized knowledge, the chain store will not be sought out.

To the untrained eye there is little difference between several of the more popular styles of axes on the market, yet each style has its section of the country in which it is preferred. The chain-store manager may know this, but the chances are he cannot buy for sectional wants. Giving a customer exactly what he wants and is used to is but another form of giving more than price-tag value. There are hundreds of cases in which the customer relies on the retailer's judgment. Such cases al-



The value of a hammer depends on the customer and his needs

most always fall within the realm of the independent merchants of the country. They are the ones who offer the public real values. The chains rely on methods rather than on men, and when the human element is removed from business you approach the mechanical condition of the slot machine.

When a man buys a suit of clothes for \$50, he relies largely on the salesman's judgment for information as to the quality of the material. Of course, the salesman must have a proper idea of what real merchandising is before he can be trusted in such a situation. Until the retailer realizes that merchandising is simply selling what the consumer should have rather than palming off what the retailer wants to get rid of, there is not much hope of ideal conditions prevailing.

Support for the independent

GRANTED that there is a wide field, and always will be, for independents with knowledge and ability, we have concluded that we want the goodwill of the independent hardware dealers of the country enough to sell to them alone. They act as our show windows and as such we want to give them all the backstage support we are able.

The chains have shifted the normal wholesale functions back to the manufacturer in some instances. This may be due to overcapacity, a lack of adequate cost information, or the lure of a new idea which seems to offer big possibilities. In time, I believe manufacturers will tire of being made the warehousemen for chain stores. They are not equipped for it, and should not be.

If an order for 1,000 dozen hammers came from any source, we would be mildly surprised at its size. However, if it came from a chain, we would decline it. Besides the policy angle, it would be more expensive, before we were through with it, than if it were made up of orders for ten hundred-dozen lots to wholesalers.

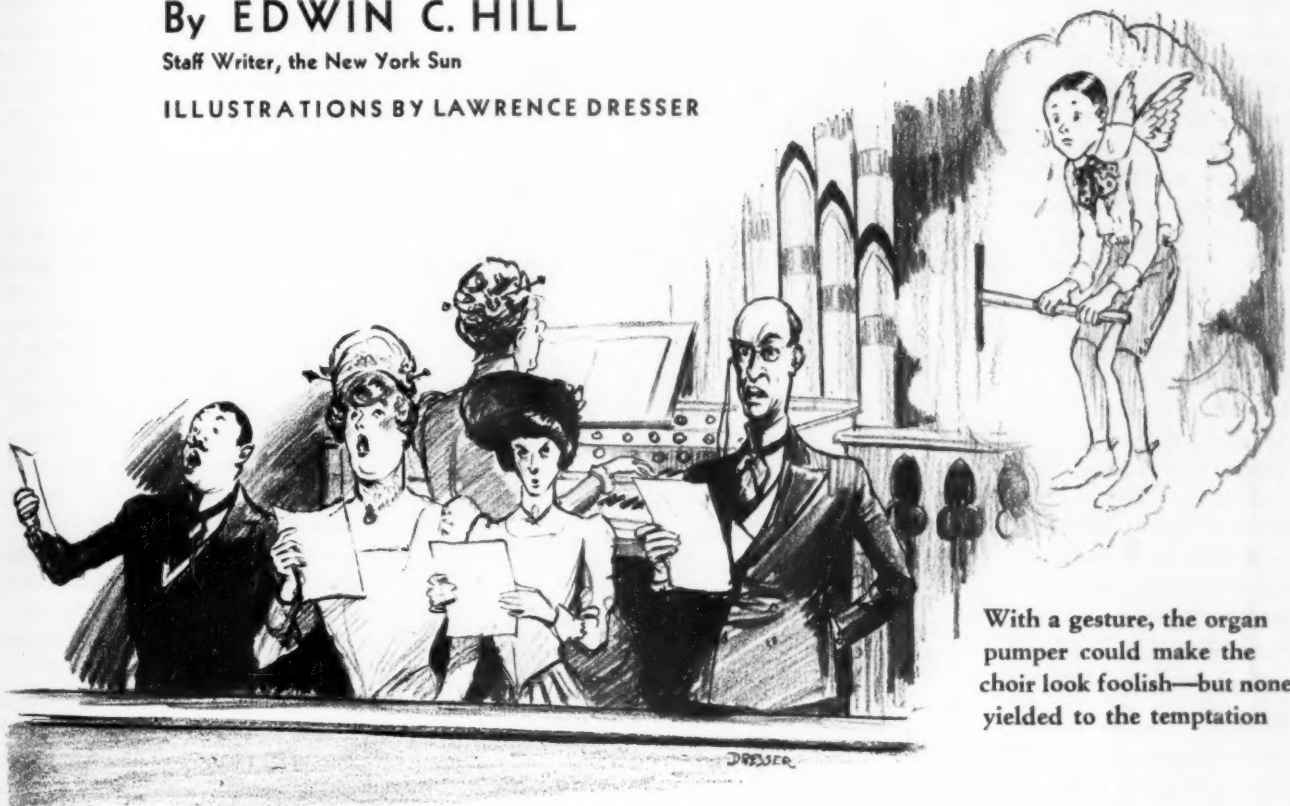
Somewhere in the details of the order we would find directions that we were to send two- or three-dozen parcels of hammers to several hundred chain-store units throughout the country. Upon checking the cost of this whole order, we would find it more expensive to fill at no price reduction than it would be to fill several smaller ones. If it is cheaper for the chains to buy in large quantities it is not always cheaper for manufacturers to deal with them.

Opportunity in a Pump Handle

By EDWIN C. HILL

Staff Writer, the New York Sun

ILLUSTRATIONS BY LAWRENCE DRESSER



With a gesture, the organ pumper could make the choir look foolish—but none yielded to the temptation

PITY the young man of today. He cannot pump the pipe organ in a church. A number of leading business men found doing so the best start in life. Pity today's youth further because he cannot belong to the Guild of Former Pipe Organ Pumpers. He'll miss a lot of fun

SOME OF the country's most noted and successful business and professional men got their start in life—earned their first money—pumping pipe organs in country town churches on Sunday mornings—George B. Cortelyou, president of the Consolidated Gas Company of New York; Benjamin Franklin Affleck, president of the Universal Portland Cement Company of Chicago; John M. Gibbons, general attorney for the New York, New Haven & Hartford Railroad; Julius Rosenwald, chairman of the Board of Sears, Roebuck & Company; Senator James Couzens, of Michigan, Henry Ford's one time partner; Will H. Hays, president of the Motion Picture Producers' Association, so-called czar of the movies; George B. Dolliver, wealthy publisher, and scores

of others who have made their mark in industry and finance and in the learned professions.

Today, well along in years, burdened with tremendous responsibility, these former pipe organ pumpers like to put aside labors and cares once or twice a year to recall whimsically, and with a great deal of sentiment in their laughter, those long-ago days when mother made them wash well behind the ears on the Lord's Day and don their Sunday clothes and go to church to do their duty by their religion and their community. It was their harassing obligation to turn out reasonably scrubbed and soaped, in starched stiff collar and irksomely tight shoes, and take their post at morning service—and usually at evening service, too—to provide the man power which inflated the bellows

of the pipe organ and produced the wheezing, rumbling music which accompanied the ladies and gentlemen in the choir loft as they put their hearts into "Blest Be the Tie That Binds," or "God Be With You Till We Meet Again."

Mr. Rosenwald, in occasional relaxations from the press of affairs in the great store of which he is the head, often lets his mind drift back over the slow years to the days when he pumped an organ in a Gentile church in Springfield, Ill., the only Jew in the congregation, selected with special compliment to his peculiar fitness for pipe organ pumper by the board of trustees of the church.

His start as a capitalist

THEY didn't pay him much—I think Mr. Rosenwald told me once that he got 25 cents for every perspiring appearance—but the salary or wage, whichever you like, formed the basis of the savings which made him a capitalist at ten and eventually a merchant prince of the age.

Sitting in his splendid office high up

in the tower of the Consolidated Gas Company in Fourteenth Street in New York City, George B. Cortelyou smiles reminiscently when the yet clear pictures of his boyhood come back to him, and he thinks of himself working the lever of the old church organ up and down, up and down, while the pretty soprano projects her flute-like notes over the heads of the drowsy congregation.

Mr. Dolliver, the publisher, will never forget the fight he had with the minister's son behind the pumper's screen in the little Baptist church in Battle Creek, Mich., an epic battle. The juvenile Dolliver was a Methodist—or his folks were, which put him in the Methodist class, according to the simple logic of the minister's boy. When young Dolliver was offered the job of pumping the Baptist church pipe organ for a set remuneration of 25 cents a Sunday, it occurred to the minister's son that here was a clear case of imported foreign labor.

Even while the sermon was going on, or the choir singing, there was trouble behind the screen, for the minister's son made it a point to resort to that spot and taunt young Dolliver, throwing his Methodism in his face. One Sunday morning, his patience tried too sorely, the Dolliver boy hit the minister's son squarely upon the nose, and the clamor of combat temporarily suspended church service. Unhappily for Dolliver he lost the job and the minister's son came into undisputed possession of the lucrative post—a clear victory for the principle of the closed shop.

A calling of varying reward

IT seems that fairly equal ability—for every boy who assayed to handle the tricky lever of a pipe organ had to know his business or he didn't last—was not equally compensated. Will Hays of the movies, who asserts that he was one of the most expert pipe organ pumpers that ever supported hymn singing, received only ten cents for a Sunday's labor. But this was not the worst of it. A fellow can do a lot with ten cents given the opportunity. But when a fellow's mother, alertly watching for



Those days when they donned their Sunday clothes with lace collar and cuffs and did their duty

the transfer of the dime from the treasury of the Presbyterian Church in Sullivan, Ind., required the honest laborer to put the fruit of his labor into the collection plate, what was the use?

As a plain example of the unevenness of the rewards for true genius, Mr. Affleck, the head of the great Universal Portland Cement Company nowadays, and who used to be president of the Union League Club of Chicago, used to do his stunt of pumping in Winnetka, Ill., and was paid 35 cents per Sunday.

But such was the injustice of the parental Afflecks—or so it must seem to the unprejudiced—the revenue from young Affleck's talent went not into his pocket but into the family budget where it was frittered away, probably, on all sorts of unnecessary things like rent and grocery bills. However, the future cement magnate did get free tickets to the church ice cream socials and that was worth shooting at when a target was set up for ambition.

Very few men lose all of their boyhood and its zest for play, and this is the reason, probably, why 800 business and professional men the country over have taken membership in one of the oddest societies to be found in the whole United States—the Guild of Former Pipe Organ Pumpers—and are proud of their membership. They are proud of it because it represents a boyhood

experience which is not open to the boy of this day—or to very few at any rate—for the old-fashioned, hand-pumped pipe organ is a thing of the past. It has been transformed or supplanted by modern creations rigged and manipulated with and by all sorts of electrical gadgets and doodads. A noble and dignified profession has been wiped out by the march of modern science.

No organ pumpers today

SENATOR COUZENS, who pumped a pipe organ in a little church in Chatham, Ont., says there are no more pipe organ pumpers nowadays and the Senator is probably right. He recalls vividly that his compensation for Sunday labors as he sat huddled and hidden behind his screen and the rigid backs of the choir, constituted his first capital and gave him, as well, a sense of responsibility to society, and the conviction that one had a duty to perform as a member of society.

Several years ago Chet Shafer, who comes from Three Rivers, Mich., and is a writer of dry humor whimsicalities, suggested to several business men of his acquaintance that something ought to be done to keep alive the golden traditions of pipe-organ pumping. He mentioned the notion to Julius Rosenwald in Chicago, and to others, and it was enthusiastically received. An organization was perfected, with Mr. Shafer the active executive and contact figure, as Grand Diapason, and Mr. Rosenwald, I believe, as Chief Quint, and a full list of other officers and offices—the offices being named for the various parts and functions of the old-time pipe organ.

When it came to canvass the whole country it was found that 800 were eligible to active membership as having served industriously in their youth to inflate the bellows of organs in their local churches. One by one the 800 were taken into membership and received their diplomas. The initial fee for the parchment diploma with its imposing seal and its notification in noble Gothic type that the holder and bearer is entitled to all of the honors and privileges that appertain unto his style and rank as a former pipe organ pumper is the only financial burden of membership. There are no dues and assessments.

Now and again, somewhat irregularly, as the spirit moves, or because of the difficulty of rounding up in one place, at a stated time, so many individuals of varied activities and tastes, the

Guild of Former Pipe-Organ Pumpers holds dinners of reminiscence in New York or Chicago, the chief capitals of the unique order. At those dinners the men trade boyhood experiences as journeymen pumpers and drop the years behind them. They like to recall those hateful Sunday mornings when Father donned the tall hat and Prince Albert and Mother primed up in her best frock of heavy, rustling silk, with lace at the collar and wrists; when they themselves in the detested strait-jacket of Sunday-go-to-meeting clothes trotted alongside with maddening thoughts of Jimmy and Pete who, as well they knew, were dropping a bent pin in Fisher's Run with the best possible expectation of yanking out a four-inch perch or sunfish.

Stories, but no speeches

THEY don't make speeches, our Mr. Rosenwalds and Dollivers and Hayses, at these get-together feasts of former pumpers. Speeches are barred, as savoring too much of the world they are living in now, and as far apart, indeed, from the glamorous days of boyhood; but they sit and smoke and tell stories of the laborious, profound and sacred duties they were called upon to perform.

They like to project themselves back into the happy past and see themselves again in their cramped quarters by the organ and behind the choir, quite hidden and anonymous, for it was not thought fitting or even respectful to permit the worshipping congregation to have a glimpse of the red-faced, perspiring youngster who pumped the organ lever up and down.

The spectacle would hardly have been in harmony with the beautiful choir or the gilded organ pipes.

Organ pumping was onerous and exacting, especially because it had to be done on Sunday, when the whole outdoors called to a normal boy; but there were privileges and honors connected with the post, and choices were made by the pastor or the trustees solely on merit. Muscle was not the only requisite. Some moral character and standing in the community were regarded as essential by the ecclesiastical authorities. Politics occasionally crept

school superintendent who had the necessary pull, or the scion of a well-to-do deacon. On the whole, though, members of the Guild tell this writer, merit counted in the long run.

Upheld professional ethics

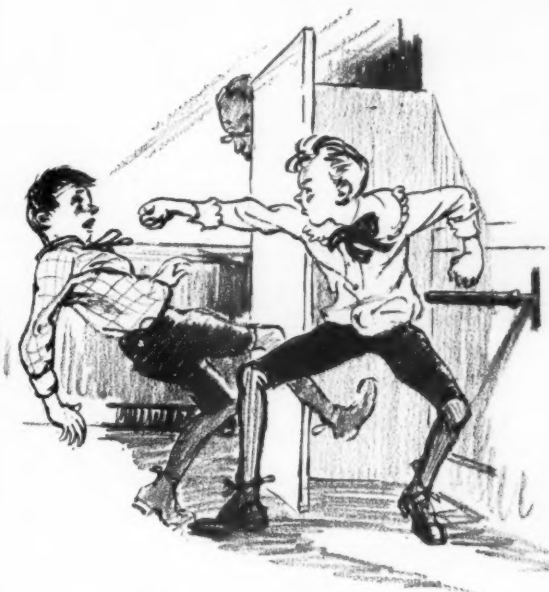
THEY confess almost without exception that at some time or other in the course of their responsible labors they were almost overwhelmed by a temptation to "get even" with the haughty, supercilious choristers—the soprano or the basso who seldom gave them a nod or a glance but who was perilously dependent upon their honor and loyalty.

They knew, as well as the organist knew, that with a gesture they could wreck a hymn or leave a soloist stranded among futile squeakings and grunts from the betrayed pipes. All that was needed was to allow the indicator to drop below the point which signified that the wind force was being maintained in the bellows and pipes—the simplest of omissions—and the prize singer of the choir could have been made to look foolish. It appears, though, that none of them ever succumbed to such temptation, and resistance put iron in their souls.

"No one knows nowadays—and few people ever gave thought to it in the old days—what the pipe-organ pumper had to endure," said one of the Guild.

The Guild of Former Pipe-Organ Pumpers is a whimsical crowd, fond of joking with a straight face and in pon-

(Continued on page 167)



He hit the minister's son and the clamor of combat suspended church

into the selections, for a minister's son usually had a start on the rest of the boys of the town, or any ministerial blood relation of the suitable age. Or, it might be, the son of the Sunday

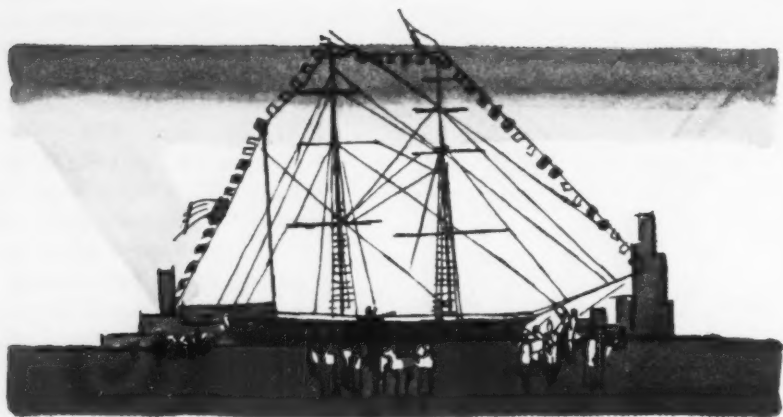


Hearing that cast-iron animal life was disappearing in this country, the Guild launched a rescue expedition to gather remaining specimens in a public park

The Club Racket Has You

By BOYDEN SPARKES

DECORATIONS BY GEORGE ILLIAN



PAINTED with moonlight, the matronly white barkentine creaked as if in protest against the hawser lines that held her fast to her dingy pier. It was a comfort to fancy that she was eager to sail, even that she suffered annoyance because her canvas was stowed away in lockers. Masts that were thicker than a paunchy man where we stood on her creamy deck tapered to a thrilling slenderness high overhead where the free wind whistled.

That was the idea! Free wind! At no cost whatever her numerous owners might be carried to Bermuda, to Jamaica, to Africa, China or Cebu. It was precisely this notion that was being sold.

"Join the club and become one of her owners" seemed a reasonable and alluring slogan. Frustrated lovers of the sea were being invited to enroll as charter life members. Those with enough strength of character to make up their minds quickly could achieve this splendid patent of exclusiveness by paying \$200; those who hesitated might have to pay \$300, or \$400, or \$500. Sign quickly, urged the salesman, before the 300 memberships at \$200 were all grabbed off.

That was several years ago. The old boat is sooty now and various libels have been tacked to the mast. She is a bankrupt enterprise and if ships really do feel I am sure that she is as disappointed as all those hundreds of sea-hungry landmen who signed the membership applications, and who signed, moreover, checks. Recently I was permitted

THE NEED for clubs is growing with city life and the number of clubs is increasing. So is the number of doubtful promoters whose chief aim is to enrich themselves. There are some tests, however, that will enable you to tell whether you are being invited to join a real club or to aid the promoter of a racket

to browse in the correspondence file that contains the full history of this dream that failed of fulfillment. I read the contract for the sale of 2,500 charter life memberships. I read the report of the accountants which showed the various channels through which all the money was distributed.

I read the correspondence of members; some letters written when they were brimming with good-fellowship and anticipation; some when they were disillusioned, disgusted and full of recriminations.

It seemed to me to be a perfect pattern of something that is going on in various guises all over this country; something that is an abuse of one of the noblest words in the vocabularies of men. The word is "club." When it is commercialized, it loses its real meaning and, it seems to me, it becomes unwholesome, offensive.

When I looked through the documents that tell the history of that wrecked ship club I could not help but wonder if anyone would have bought a membership had he understood all the details of the business. For one

thing there was a contract, two contracts in fact, which I do not think were shown to prospective members. There is some sort of a contract governing the sale of memberships at the bottom of a majority of new club enterprises. In these contracts memberships are treated as a commodity. For example:

The party of the first part represents and hereby agrees that he has available for sale 2,500 charter life memberships exempt from the payment of annual dues and non-assessable.

Organizer gets big part of membership fee

THE party of the first part is the organizer. As to what extent he was governed by altruism in forming this club you may decide for yourself. He signed a contract which gave him the exclusive right to sell the 2,500 charter life memberships which had been created.

His commission was to be 30 per cent of the membership fee and the cost of selling was to be borne by the club. Then he farmed out his contract on a basis that gave 25 per cent to the concern which actually sold the memberships. That arrangement gave him a flat five per cent of every member-

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At no cost whatever her various owners might be carried to Bermuda, Jamaica or Africa. It was precisely this idea that the club promoters were selling

ship sold. But it is better to start at the beginning. The beginning was the ship.

Somewhere he had learned of a wooden vessel that could be bought for \$12,000. The record indicates that he acquired an option to buy it for \$12,000; but the record also indicates that he lost no time in forming the club and then committing the club to purchase the ship at a price which would give him a fat profit. At that time the club had only a handful of members. When there were more members, and conse-



quently more cash, he was given \$21,600 for the vessel.

Who was the party of the second part? It was a corporation which makes a business of selling club memberships on commission. Possibly you did not realize that there was a market for such things.

Well, there is, and if your name is in the telephone or the city directory you can be sure you are a part of the market for club memberships. But to return to the contract. Another paragraph provided that the membership sales corporation was to receive 25 per cent of the gross price of each membership as sold. Even if a membership was sold on the instalment plan the membership sales corporation was to get its full commission out of the first payment.

There was another paragraph which served to increase the corporation's reward in an adroit manner. For each 19 memberships sold it was to receive as its personal property one membership. In other words one membership in every 20 was assigned to this corporation. It was stipulated that these were to be used as a bonus for salesmen or for promotion.

The initial arrangement provided that there would be 300 memberships at \$200; 600 at \$300; 400 at \$350; 600 at \$400 and 600 at \$500. That makes 2,500 charter life memberships and *might* make a total of \$920,000. In this case the membership-selling corporation agreed to keep an average of not less than ten salesmen on the job. If they sold 90 memberships in four months the contract was to remain in force until the 2,500 memberships were sold.

Just what was to be sold for \$920,000? Certainly it was not the ship which had a true market value of only \$12,000. Apparently the merchandise was a compound of camaraderie and fiction.

Where did the membership money go?

BEFORE this undertaking went on the rocks, \$105,222 was paid for charter memberships. More than \$35,000 of that sum vanished into the pockets of the various gentlemen who were entitled to commissions. Another \$13,300 vanished into the pockets and stomachs of the scanty harbor crew of the ship. Some of the other items by which it is possible to explain what became of the money follow:

Printing and advertising, \$6,461; rent of office, \$4,385; office salaries, \$2,681; ship equipment and furniture, \$4,208. Another \$13,000 was spent for ship repairs. The right to lay alongside a pier cost \$2,161. There were other items but it is needless to list them.

Now one of the surprising things about this business is that seemingly none of the men who became members thought about the tremendous overhead. Seemingly none of them was concerned with the problem of finding a satisfactory substitute for that which in successfully managed clubs is referred to as dues. You see, all these men were charter life members exempt from dues.

The accountants who sought to untangle the finances of

the club after it became bankrupt discovered that 104 men had paid \$200 for memberships; 184 had paid \$300 and 15 had paid \$400. But there were 33 members who had not paid anything. Among these were a couple of well known Arctic explorers; a cartoonist or so and several professional humorists. These men had traded the use of their names for a free life membership.

This grotesque selling campaign finally ended. A lot of the men who paid money into that scheme could ill afford to lose it. Many, when they signed a check for a life membership, signed away a considerable portion of their budgeted allowance for recreation.

A real need for clubs

THERE is another side to the picture. This view was given to me recently by a successful promoter of clubs whose organization is now developing two large ones in New York City.

This man has had 20 salesmen in the Wall Street section selling memberships in a new athletic club and 18 salesmen in the mid-town section selling memberships in a luncheon club. It is easy to accept the idea that there is a genuine need of both these clubs.

The athletic club, for example, is to occupy a three million dollar club house. Originally it was projected as a 44-story building. The bankers—and they are bankers who will be active members—determined that was too high to be economically sound. They cut the building to 35 stories. There are to be 5,400 members but no member will be taken who is unacceptable to a membership committee. Bankers are handling all funds.

The luncheon club is to have 7,500 members, not a great many in view of the hundreds of thousands who swarm daily in and out of the buildings in the vicinity of Grand Central Terminal. Neither of these institutions pretends to be one of those intimate associations which give the word "club" its warmest connotations. Each is the response to a definite need created by city life. They are expressions of the urbanization of American life.

"How else is this thing to be done if it is not sold?" the promoter asked. "Not all of the men who make their living in Wall Street are ultra-rich men but thousands of them will always make a good living. They need a convenient place to relax, to read, get exercise, swim, shower and eat. No commercial enterprise could supply what they need. A large athletic club is precisely what is required."

"Obviously it costs money to round up a group sufficiently large and personally agreeable to each other to support such a club. That cost can be controlled and I assure you it is being controlled in many sound enterprises of the sort in large cities from coast to coast."

"It is inherently unsound always to permit the organizer of a proposed club to handle funds, to state policy or to have the final say on the eligibility of those offered for membership."

"Clearly the man whose job it is to sell memberships should not be allowed to dominate the membership committee. There must be safeguards to keep him from selling to the



If your name is in the telephone book you are a prospect for club membership

wrong people. A large club should be governed by the same business caution, good taste and ethics that you would expect from those in control of anything in which you invest your money and a part of yourself.

"How much should it cost to organize a club? In my judgment it is foolhardy to attempt to create a club with less than 25 per cent of the money paid for membership. In the future it may be possible to do it for less, but I am doubtful. If 25 per cent is the minimum I should say that 35 per cent is the maximum. When a larger proportion is spent the enterprise is doomed.

Club organizing now a profession

"CLUB organizing is a new profession. Unhappily it has attracted a number of unworthy practitioners. There are some racketeers in it imposing on a public which is unskilled in determining which propositions are unsound.

"The racketeers are using the same patterns of exploitation that the legitimate promoters use. Consequently these abuses have injured the work of those who have professional pride and personal integrity. This is a great misfortune because American cities, rapidly swollen in recent years, have a genuine need of more clubs."

In my search for light on this business I talked with an old acquaintance who had four or five years' experience as a club membership salesman. He is an engaging person and makes friends swiftly. I had known him as a carefree individual never more than a jump ahead of his debts. Then I encountered him when he was extraordinarily prosperous.

"I'll tell you how I got into the club business," he said. "I was working in Lakeville, alternating between newspaper and publicity work. There was a club promoter there who was being ridden by the newspapers. He invited me to take over his contract. I did so and put it over. The club is a successful, well managed enterprise today. As for me, I made \$30,000 in three months and then launched out as club promoter.

"One of the troubles with the work is that men who are good salesmen get the idea that it is just an easy racket. As a matter of fact it is always easy to sell the first few hundred memberships in any big city club proposition. After that it grows increasingly difficult with the result that smart and unscrupulous promoters are usually glad to surrender their contracts when the job is half done.

"Out of 60 salesmen who worked with me in 1922 and

1923 six or seven, at least, launched out on their own. They all went hustling over the country looking for chances to exploit a club.

"I know one who has been successful who established his credit in a big western city by having a phony telegram sent to him by an eastern friend. This read:

Have sold your house cash buyer stop check thirty-five thousand less my commission as soon as title search completed.

"By displaying that message the promoter established his credit. He was flat broke but rented a noble suite of offices. He acquired expensive office furniture the same way. Then he tied up with a real estate man who was trying to sell a piece of property worth \$600,000. That was when the club was born. An option to buy the land was juggled a couple of times. When the prospectus was printed that piece of real estate was written down as a million-dollar asset. Such write-ups in values are a common trick. In this instance the land today is actually worth more than a million.

One of the club salesman's tricks

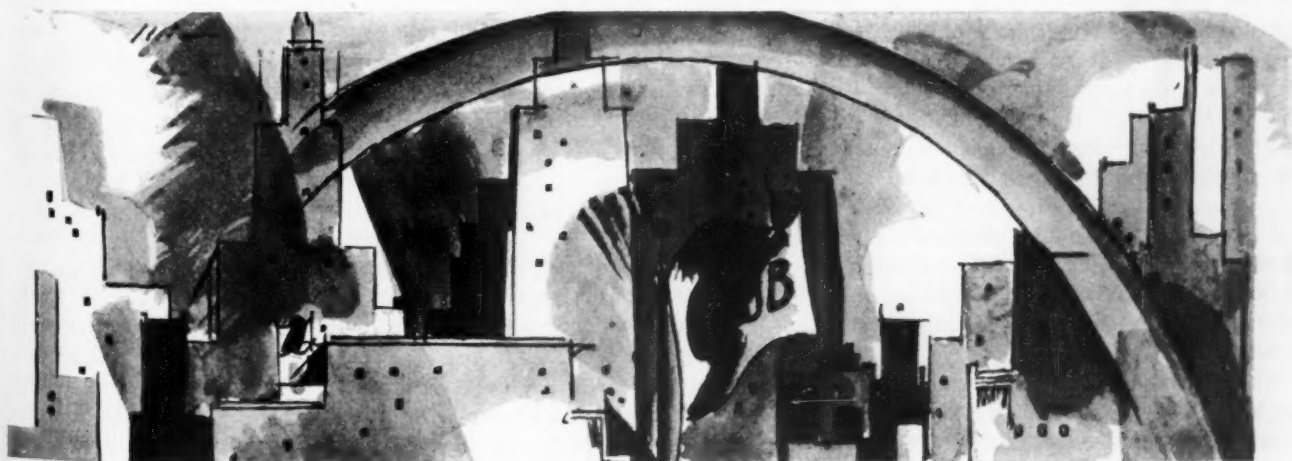
"IN their feverish hunt for clubs to organize some of these membership sellers go completely wild. Here's one that actually happened. A scheme was begun for developing a club for negroes in a northern city where there is a huge settlement of colored people. It failed. Then the promoter started all over again. This time it was offered as a club for white men. That time it clicked. But how can it be a club?

"The salesman's best trick is to go well recommended. He telephones first and says:

"'Mr. O'Keefe? Your friend, Julius K. Simpson, the president of the Simplicity Furniture Company, has proposed you for membership in the Twenty-four Carat Club. Can you take dinner with me?' If Mr. O'Keefe says 'Yes,' the commission is as good as in the bank."

Anyone who is invited to join a new club nowadays should, for his own protection, be curious about a number of things. What is the record and background of the promoter? How much of the membership fee is the promoter getting? How much is the salesman getting? He should make sure that any prominent names among the members are being used with the authority of the owners. He should seek to discover how many of the wits listed as members actually paid for their memberships.

Indeed, what he should make sure of is whether it is a club or a racket that he is invited to join.



Many men have signed away a considerable portion of their budgeted allowance for recreation to buy memberships in clubs that existed only in the promoter's mind

Trade Practices and the Law

By JOHN LORD O'BRIAN

Assistant to the Attorney General of the United States



UNDERWOOD AND UNDERWOOD

JOHN LORD O'BRIAN

EVERY clear-headed man understands the changing conditions which must constantly accompany progress in the world of business. It is common knowledge that trade associations have contributed and are contributing to the development of a sound public opinion in the special fields of industry.

No one understands this better than the law officers of the Department of Justice, and that Department is not in the slightest degree hostile to the proper activities and healthy growth of trade associations. This is not so well understood as might be and the attitude of the Department and the legal limitations which encompass its activities are not widely known.

The Attorney General is not and cannot be an arbiter in the field of economic interests. His powers and his duties relate solely to the enforcement of law. It is not within his power to change the legal standards of business conduct

as defined by Congress and the courts. If you stop to reflect on this you will not wish him either to have or to attempt to exercise such power. The conduct of business should be guided by standards of law and not by the discretion or caprice of any official. Difficulty and often danger arise when government officials undertake to regulate by their individual standards of discretion the intricate problems of business.

Enforcement of Sherman Act

IN dealing with monopoly and combination the powers of the Attorney General are clearly defined. He alone has power to enforce the Sherman Act. It is his duty to act when practices unduly restrain or interfere with interstate commerce. His powers in respect to the trust laws are limited to this special field. He has no power to interfere with or attempt to guide the internal affairs

TRADE association movements and leaders are frequently handicapped by doubt as to what the Government will permit them to do. Here is the Government's attitude, plainly set down

of business organizations or trade associations, and he has no desire to do this.

The Department of Justice is, therefore, interested only in the conduct of individuals and corporations. It deals with groups of individuals only when the individuals are alleged to have combined for some illegal purpose. The Attorney General has no power to approve trade rules or practices. A practical reason for not attempting this is that neither he nor any other law officer can forecast accurately what individuals may undertake to do in a particular industry pursuant to trade rules.

In short, the Department of Justice is not concerned with "Codes of Ethics" or "Trade Rules" or "Trade Plans" unless illegal practices result from their operations or unless the rules obviously contemplate action which would be unlawful.

The Federal Trade Commission is in a somewhat different case. Although it has no jurisdiction to enforce the Sherman Antitrust Act it has jurisdiction to investigate unlawful practices and to enforce the Clayton Act. In exercising its jurisdiction to deal with unfair practices, the Commission has not confined its activities to investigations and prosecutions but, to aid business, has developed the practice of holding conferences. Out of this has come the Federal Trade Practice Conference, now recognized as a valuable institution. The Department of Justice has no hostility to the Federal Trade Practice Conference. On the contrary it approves these conferences and believes that within their legitimate field they afford valuable opportunity for

** (Continued on page 156)*



PHOTOS BY COURTESY THE EDISON LAMP WORKS, GENERAL ELECTRIC

Some of the workers in the old Menlo Park laboratory pause long enough in their labors to pose for the photographer. It was here that the incandescent light was born

Thomas Alva Edison, Worker

By GAMALIEL BRADFORD

Author of "Confederate Portraits" and Other Works

PART II

AFTER all this record of practical experiment and absorption in it, it is interesting to consider Edison's relation to the larger lines of pure science, the love of scientific truth simply in and for itself, without any regard whatever to its bearing on practical utility.

Edison himself has always disclaimed any standing as a pure, theoretical scientist. He makes no pretension to be classed with Newton and Faraday, as a discoverer of principles for the principles' sake. Also, it must be admitted that his intellectual training was always rather that of the practical worker than that of the thinker along academic lines. He taught himself the things that he wanted to know, without bothering with

things indifferent, and in consequence his mental equipment bears the marks of such self-training, the independence, the vigor, the originality, and perhaps also to some extent a trace of incoherence and wilfulness.

On the other hand, a little converse with Edison's mental habits and methods is sufficient to convince one that he was born with the essentials of

- THOMAS EDISON'S way and philosophy of life are quite as interesting and revealing of the man as are the more concrete facts of his biography. Mr. Bradford, in this, the concluding part of his article, deals particularly with these more abstract sides of the great inventor's nature and evaluates their significance to modern science and industry

the scientific spirit. He has the vast curiosity, the insatiable desire to get at facts, all the facts. When he was a boy, he set out to read the whole Detroit public library through and really did read part of it. Later, and even today, he reads everything he can get hold of, not only on his own subjects, but on subjects apparently remote.

And he has the true scientist's love of

theory, of the imaginative conception of possibilities, always shifting and varying in conformity with hard, observed fact. He has sometimes been accused of hit or miss experimenting, of arriving at his results by happy accident, and he resents the charge. In chemistry, he admits, his methods are sometimes empirical, because chemistry is largely an empirical science; "but when it comes to problems of a mechanical nature, I want to tell you that all I've ever tackled and solved have been done by hard logical thinking."

Two theories out of 3,000

SOMETIMES the final achievement may appear to come by a process of instinct or intuition, but in reality the instinct is based on hard preliminary intellectual labor that is absolutely indispensable. Perhaps the most impressive illustration of this is Edison's own statement:

"I speak without exaggeration when I say that I have constructed 3,000 different theories in connection with the electric light, each one of them reasonable and apparently likely to be true. Yet in two cases only did my experiments prove the truth of my theory."

And if the theorizing is eminently characteristic of the pure scientific spirit, surely the test of it by exact observation, by experiment is equally so, and is just as characteristic of Edison. All the theories in the world are worthless, and must be thrown over when they are touched by one little contrary fact. You must be willing to spend years in concocting them and perfecting them, and then be ready to toss them into the scrap heap at a moment's notice. Edison never hesitates one moment to let facts dispose of theory in any way they will.

As I have recently been much occupied with the discussion and analysis of the great English scientist Charles Darwin, it is natural that a comparison between Darwin and Edison should suggest itself. One is first struck by the difference in their external circumstances. Darwin was an English gentleman of the leisure class, with every advantage of birth, wealth, education, and social surroundings. Certainly nothing ever suggested to him that he should turn scientific speculation to practical advantage or commercial utility, for himself or any one else.

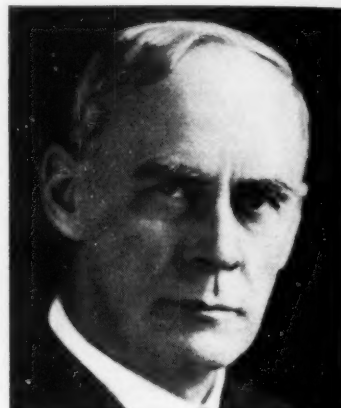
Yet underneath these superficial differences, there seems to be a remarkable resemblance in many particulars. Even in moral character the men are alike. There is the same sweet and genial human kindness, the same large Christian understanding of the struggles

BUSINESS FOLK IN



BIG BREAKER

A. J. Maloney, Philadelphia and Reading Coal and Iron head, completes largest hard coal breaker



EXPERT

Resigning from the Interstate Commerce Commission, T. F. Woodlock goes to Wall Street Journal



STOPS; STARTS

O. H. Cheney, author of New Competition, quits banking at Irving Trust for study and research



ELEVATED

An Omaha attorney is the chief of Kiwanis International. He is R. M. Crossman, formerly treasurer



ROTARY

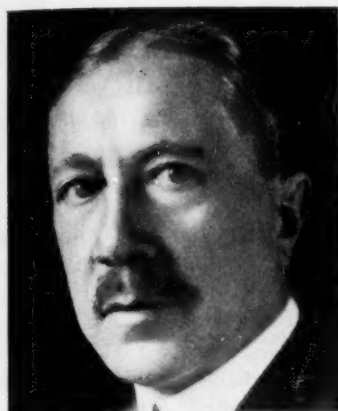
Almon E. Roth of Stanford, Cal., business manager of Stanford University, becomes new head of Rotary



MAIL ORDER

Albert S. Scott, formerly vice president of Montgomery Ward, is now head of the National Bellas Hess Co.

★ THE MONTH'S NEWS



EDUCATING

Thomas S. Gates, lawyer, banker, Morgan partner, becomes president of the University of Pennsylvania



SHIPPING

Baltimore's importance as a port increases with the formation of Donald Symington's Mail Steamship Co.



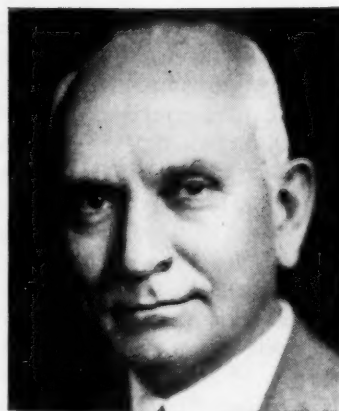
AIRMAN

Son of Consolidated Gas Cortelyou, Peter C. is in aviation, a director in National Aircraft Sales Corp.



MORE WORK

General Electric's president, Gerald Swope, announces GE's plans for unemployment prevention



PANCAKES

Childs Restaurants have a new head in W. A. Barber. He's for modern settings and larger net



RISES

A board boy at 15, W. D. Gradison becomes at 30 president of the Cincinnati Stock Exchange

and efforts and difficulties of others and allowance for their weaknesses and failures.

Intellectually the resemblance is even greater. In Darwin, as in Edison, there is a fierce, constant, unfailing intellectual activity, an impulse to use every moment of existence for some fruitful purpose, and he cries out:

"A man who dares to waste one hour of time has not discovered the value of life."

In Darwin, as in Edison, there is a perpetual imaginative play of theory in possible explanation of every observed fact. Yet all the time the facts are treasured and observed with the utmost reverence and the sense that the smallest fact is worth the vastest theory:

"I have steadily endeavored to keep my mind free so as to give up any hypothesis, however much beloved (and I cannot resist forming one on every subject), as soon as the facts are shown to be opposed to it."

Edison himself could not pursue experiment, in all its multiple forms, with more persistent patience, more loving devotion, or more ever varying and untiring ingenuity than Darwin pursued it.

Edison's instinct for truth

THE fundamental motive of Darwin's scientific effort was perhaps in part that ambition which Edison asserted to be the most fruitful source of creative ideas, but it was far more the lofty and haunting passion which he himself indicates in his noble words:

"For myself, I would, however, take higher ground, for I believe there exists, and I feel within me, an instinct for truth, or knowledge, or discovery, of something the same nature as the instinct of virtue and our having such an instinct is reason enough for scientific researches without any practical results ever ensuing from them."

Both these motives were certainly inherent and inborn in Thomas A. Edison, as they were in Charles Darwin. The interesting thing for us is that Edison, by his birth, his training, his surroundings, was thoroughly a practical American, and all his abstract scientific tendency was moulded and developed by this condition. An American boy, in moderate circumstances, with the absolute necessity of going out into the world and taking care of himself, all his intellectual activity, all his instinct of experiment, were directed to doing things that would help him and then help others to get on in the world.

Pure truth was immensely fascinat-

ing, but after all, was there such a thing as pure truth? Was not all truth that counted mixed up in some way with human advantage or human disadvantage, and was it not his business to increase the advantage and diminish the disadvantage just as much as he could? It is the thorough Americanism in Edison and all that he has done that perhaps appeals to us most and there is admirable justice in the homely account of him given by one who had watched and studied him closely:

Thoroughly an American

"A GLUTTON for work, with a brain of almost inconceivable capacity for ideas! A simple, democratic old man who cares no more for show and ostentation than the simplest of us, he is typical of what we like to consider the ideal American."

As with all these great men of action, there is a peculiar interest in noting here also the diversions and distractions from action or the fact that there are few such diversions if it is a fact. Edison's life seems to have about as little distraction in it as any ever had. The one dominant passion controls, and nothing interferes with it, though he himself likes to emphasize a wide-spread interest in a great variety of things.

Aesthetically the range of curiosity does not seem to be extensive. When he goes to Paris, he visits the museums. The modern painting in the Luxembourg he enjoys. As to the old masters he is as indifferent as Mark Twain:

"To my mind the Old Masters are not art, and I suspect that many others are of the same opinion; and that their value is in their scarcity."

Music has a far greater attraction for him, which perhaps in part accounts for the zeal and enthusiasm with which he has developed the mechanical musical instruments. He seems to cherish a peculiar tenderness for the music of Beethoven and looked forward to a record of the Ninth Symphony as the highest pitch of mechanical perfection.

I cannot quite reconcile the adoration of Beethoven with Edison's taste in literature, which seems of a somewhat more elementary, Victorian order, and rests largely satisfied with Longfellow and Tennyson. The most curious thing, however, is his enthusiasm for Shakespeare, which is characteristically expressed:

"Ah, Shakespeare! That's where you get the ideas. My, but that man did have ideas! He would have been an inventor, a wonderful inventor, if he had turned his mind to it. He seemed to see the inside of everything. Perfectly wonderful, how many things he could think about. His originality in the way of expressing

things has never been approached."

"Evangeline," Shakespeare as an inventor, and Beethoven's Ninth Symphony make an aesthetic hodge-podge that puzzles me.

There is no indication that even as a boy Edison had any great interest in sports or games as such. The great game of invention made all others seem tame and characterless. The somewhat pale diversion of parchesi is apparently the only thing of the kind that much attracts him.

As he became wealthy, he set up a billiard-table, and one day he challenged a friend to a game. Edison tried a difficult shot, and missed it. He set up the balls in the same position, tried again, and missed again. So for perhaps 20 times. Then he made the shot, but he took no further interest. Something similar happened with fishing, to which he occasionally inclines, perhaps, like Horace Greeley, for the fun more than for the fish. He is likely to take his whole staff down the harbor for a day.

On one excursion he fished two days steadily without getting a single bite, and it seemed that his persistence would never have given out if his friends had not dragged him away.

Cares little for comforts

THE story of human relations is not much more fruitful than that of sports. Edison has always been gentle, considerate, and devoted to his family, so far as invention will permit. They appear to have appreciated that their first business in life was to let the invention have way.

The truth is, that domestic care and comfort are about as little necessary to Edison as ever to any man. Eating and sleeping arrangements are of no importance to him, because he eats little and sleeps less. He sometimes sets forth theories about food which sound like an epicure, but as a matter of fact he eats to live, to invent, and food is merely the fuel indispensable to keep invention actively at work.

Strong cigars and black coffee are his only indulgences, and these he somewhat depends upon. Otherwise the pleasures of eating and drinking do not tempt. Nor does he care for other forms of luxury. As wealth

(Continued on page 210)



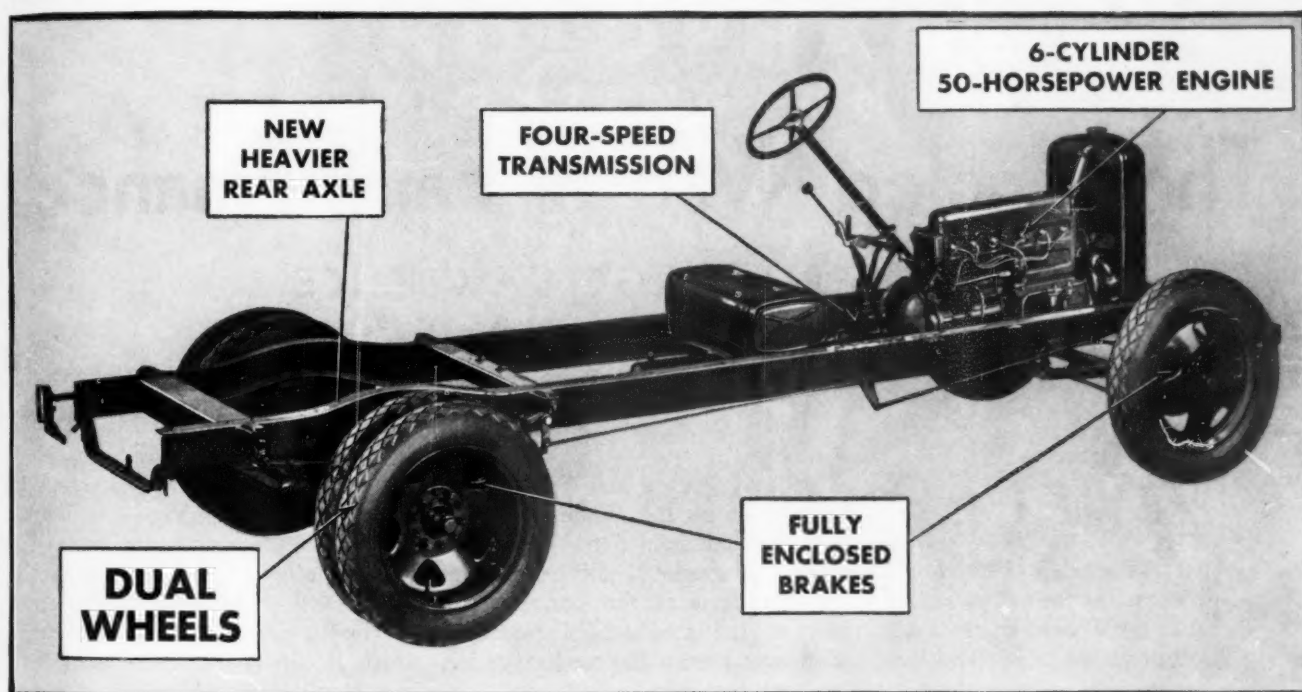
These instruments, once used at Menlo Park, are now in the Ford Museum



In this house at Milan, Ohio, on February 11, 1847, Edison was born



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The power of disappointed office-seekers and dissatisfied agrarians will accumulate. What will happen then?

The Tangled Web of Farm Finance

By JOSEPH STAGG LAWRENCE

Author, "Wall Street and Washington"

DECORATIONS BY D'ARCY

PART IV

NO fair-minded observer can deny that the reorganization of the Federal Farm Loan Bureau in 1927 and the thorough house-cleaning of the entire land-bank system has abated, for the time being, an evil of disgraceful proportions. The creation of a new morale among the personnel, the introduction of solid business methods all along the line from the top in Washington to the remote loan associations of distant provinces, and the removal of the unsightly debris of past failures deserves unstinted commendation.

Splendid as these achievements are, the same fair-minded observer must be pardoned for questioning their durability. He senses certain intrinsic dangers in any attempt on the part of the Government to enter business—dangers which the ablest students of economics and politics from Adam Smith down to the present have emphasized.

What will be the fate of this experiment in politi-

cal banking when a less dispassionate executive enters the White House or when the accumulated power of malcontents, disappointed office-seekers and dissatisfied agrarians forces an abandonment of the cold-blooded principles which now govern the conduct of the land-bank system?

This same observer may ask another question. Granted the substantial part which the land banks have played in providing the farmer with long-time credit, has that service been worth the price paid—and have the proper parties been billed with the cost? The answer to that last question touches thousands of investors in land-bank bonds which the market rates at painful discounts.

A spirit of exceptional devotion to public service now pervades the Federal Farm Loan Bureau. A number of the executive officers have made substantial sacrifices to aid in the rehabilitation of the Bureau and the system of land banks which it supervises. These men have been recruited without regard to political affiliations and with an eye only to their qualifications for the positions to which they have been appointed. Much of the credit for this goes to the White House. The hand of the President was materially strengthened by the deplorable conditions which have developed in the system.

The point of first attack was the federal land banks. The magnitude of the renovating process may be comprehended in the fact that the entire executive personnel of three of the 12 banks was changed, while important shifts were made in a number of the others. The accounting practices of the banks were revised to permit a clearer picture of condition and to make remedial measures possible and effective.

Many of the banks were in the habit of transferring

- **THE Federal Farm Loan Bureau was set up in 1916 to provide long-term credit for the farmer. In 1927 it was reorganized, and at that time it needed to be. But its troubles are not yet over. This article, the final of a series, tells why. It is complete within itself**

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acquired farms to nominees for the purpose of economizing in legal fees and to facilitate their disposition. This, of course, constituted a mask of the banks' condition and vitiated the value of all statements. The practice has been stopped.

Pressure was brought to bear to accelerate farm sales and permit the liquidation of frozen assets. Adequate reserves were set up to cover losses. In fact, it may be said that this has proceeded to a point where the existing reserves of the 12 federal land banks cover not only all actual losses but all prospective losses which may occur in the sale of farms still in the possession of the banks and in the foreclosure of delinquent loans.

Taking advantage of favorable auspices, radical surgery was performed on the staff of appraisers and land-bank examiners. Ability to appraise and ability to examine were the criterions of continued tenure of position. Under the greater appropriations now granted to the Farm Loan Board, it was possible to offer better pay to better men.

Selling for what they are

THE bond houses which assisted in the distribution of the land-bank bonds were persuaded to forget that the law referred to these bonds as "instrumentalities of the Government." It was but natural that such houses should be reluctant to omit a strong selling point. However, they were finally convinced that these securities were instrumentalities of the Federal Government only by virtue of Congressional fiat, that Congress had no intention of acknowledging the responsibility incurred and that the sole purpose of the statement was to accord agriculture privileged access to the capital market.

My previous article pointed out the failure of the farm-loan associations to function satisfactorily. The law had tried to make them elements of strength and security in the system. Human and political circumstances had so thoroughly undermined this intention that the liability of association members as



What plums await the party which declares an open season on the Farm Loan Bureau!

which they hold. After deducting their own expenses these earnings are passed on to the borrowing members.

If losses occur on bad loans to any members, the land bank charges them to the earnings which otherwise would have gone to the association. If that is not sufficient then the stock itself is forfeited and beyond that each stockholder may be assessed an additional

amount equal to his investment. It is possible therefore that a farmer may be called upon to contribute as much as \$10 for every \$95 that he borrowed to make good the losses incurred on his neighbor's loans. In many cases he had failed to take that responsibility seriously, a failure justified to some extent by the indulgence of the federal land banks.

It will be recalled that the farmer who borrows \$100 through such an association must take \$5 of this amount and purchase stock in the association. The association in turn uses this money to buy stock in the federal land bank of the district. As the land bank realizes profits, they are passed on to the association in proportion to the stock

Putting in business standards

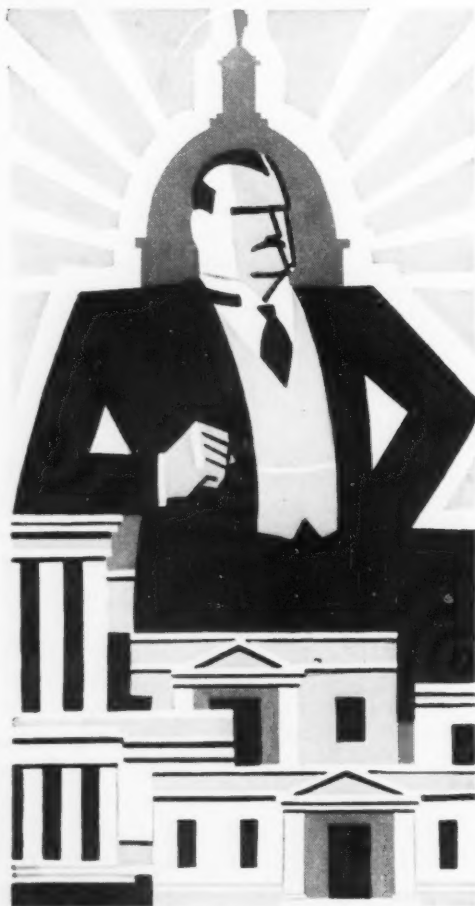
THE new Farm Loan Bureau, animated by a desire to conduct the system on a business basis, and to take full advantage of the safeguards provided by the law, proceeded to enforce the liability of the association stockholders who, be it remembered, are all farmers and borrowers.

At the end of 1929 there were 4,662 farm loan associations in the country. Some of these have more than a thousand members with loans running into seven figures. The accounts of a great many were in a sad state. The penny-wise-and-pound-foolish economy of an earlier national administration had denied the appropriations necessary for proper examination of these associations.

The present Bureau, with an adequate force at its disposal, has made a careful check-up of their accounts. It was discovered that losses due to misapplication of funds exceeded \$100,000, so serious in some cases as to call for criminal action. The responsibility for supervising these accounts has now been placed upon the federal land banks and that is a definite improvement.

The third major weakness in the land-bank system, the joint-stock land banks, has yielded less to treatment than the federal land banks and the farm-loan associations. This is due partly to the fact that the milk has already been irretrievably spilt. There is little the Farm Loan Bureau can do to reestablish the value of weak bonds, to inject virtue into poor loans or to compensate the effect of dishonesty and misconduct of joint-stock-land-bank officials.

Three of the 52 banks are in the hands of receivers. The executive staffs of five of the banks have been removed and radical reorganizations have been found necessary in a number of others. The law had established no other safeguards than the capital of the original stockholders and the tenuous supervision given by the Farm Loan



The federal land banks and federal intermediate credit banks are completely dominated by authority in Washington



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Bureau. There is doubt whether that capital was actually contributed in every case as the law requires, and the surveillance of the Bureau was less than effective.

We have noted with approbation the definite improvement in the three fundamental ailments of the land-bank system which has been effected by the present administration. Can they endure or are they ephemeral palliatives which give to the land-bank system an appearance of meretricious health? To answer this question requires an analysis of the difference between a governmental banking system and a private banking system.

A bureaucratic system

IT IS probably true that we can find nowhere except in Russia a banking system so completely dominated by the central political authority as our federal land banks and federal intermediate credit banks. From the formulation of broad general policies down to the appointment of subordinate employees, the reins of control are held in Washington. It is the ultimate of bureaucratic centralization.

From what source does such an omnipotent bureau derive its power? Primarily the authority is delegated by the chosen representatives of the people, the chief magistrate in the White House and



The present Bureau has asked for more than a million dollars for the year 1930-31 as against an appropriation of \$290,000 in 1923

Congress. These representatives in turn derive their authority from the electorate which chooses them. From that electorate come also the very individuals whom the banks must restrain and sometimes deny in the proper exercise of their functions. The banks are in the anomalous and at times uncomfortable position of checking and penalizing their own masters, a duty which for the past two years has been observed with singular effectiveness and fortitude.

In sharp contrast to this is the situs of final sanction of a private bank, namely, the will of the stockholders. These it is true may also be the clients of the bank but on the whole we may say that there is lacking that complete identity between client and bank owner which we find in the governmental banking system.

Another vital distinction between the two systems is the nature of the object which they serve. Service, in a broad public sense, is the purpose of the governmental system of banks. Private profit is the goal and reward of private banking. Ser-

vice is an important incident, but only an incident, of the effort to seize the golden apples of profit.

There is no necessity for apologizing for that purpose. The human race in its long and arduous experience has attempted to rely on other springs of human conduct such as community welfare, tribal pride, family loyalty or dividends in the hereafter. One and all they have succumbed to grim reality. Under proper restraints, there is no more wholesome stimulus to human effort than the prospect of private gain. The desire of the stockholders of a bank to maximize their profits, the opposing desire of the clients to secure the greatest accommodation at the least cost, both forces operating in a field of competition, make possible an enduring banking system.

On the other hand, where political representatives establish an emasculated organization, that is, emasculated in the sense that there is no other driving power present than an indifferent salary scale and the thin water of public service, it is inevitable that we should also find a susceptibility to corruption and favoritism. The administration of alien property, the disposition of our public lands and resources and the conduct of the Veterans Bureau emphasize the point.

Mercy or justice?

THERE are certain portents even now evident which indicate that these are not idle apprehensions. One of our senators has already proposed that the Federal Farm Loan Bureau be placed under the wing of the recently created Farm Board. In its brief existence the latter has displayed a sympathy for the farmer which has touched this lawgiver.

The present Federal Farm Loan Bureau has been dealing justice rather than mercy to the farmer. The effects of this policy are clearly evident in the reactions of the farm-loan associations. The members who are meeting their individual obligations as borrowers have failed to greet with enthusiasm the efforts of the Bureau to enforce their collective liabilities as sureties for the defaulted loans of their neighbors.

Farmer after farmer has discovered that it is not enough for him to pay his own loans. He must also help make good the loan of his neighbor. True, the

(Continued on page 175)



Paying his own loan is not enough. The farmer must also help make good for his neighbor

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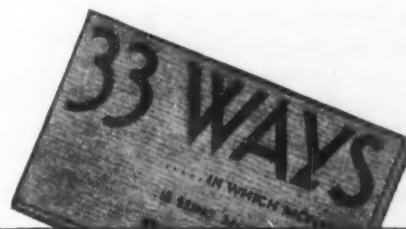
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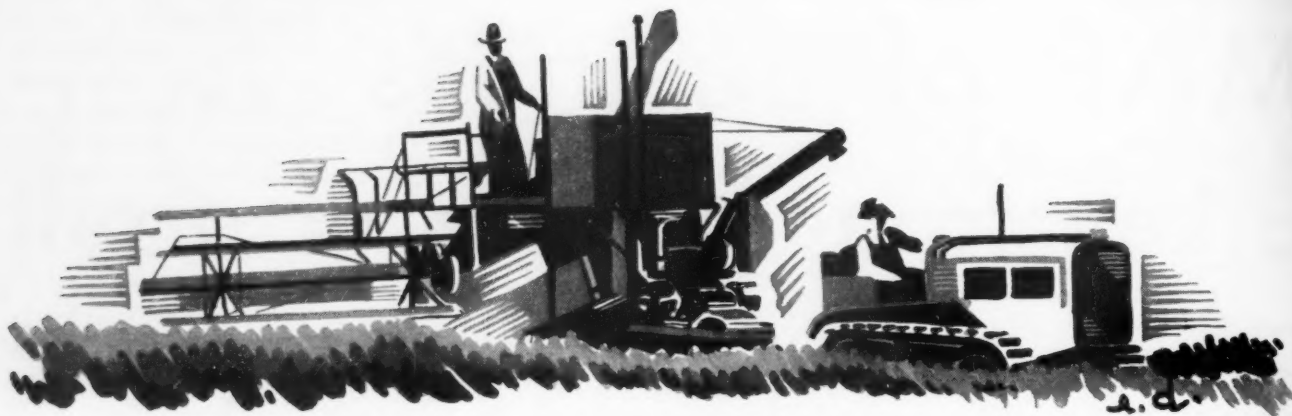
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Figures show that corporation farming will replace the individual—but we know it won't

The Terrors That Lurk in Trends

By WALTER BURR

of the University of Missouri

DECORATIONS BY EARL DUVALL

Experience proves our worst fears groundless

THE humor element in the joke about what would have happened had women's skirts continued to shorten at the same rate at which the process went on for ten years, is found right in that word "if." We know they didn't.

This illustrates a lesson that should be learned by every man in public life who "views with alarm" the changes taking place in our economic order.

On the first page of the "Report of the Committee on Recent Economic Changes," are these two significant statements—"The changes have not been in structure, but in speed and spread." "The breadth and scale and 'tempo' of recent developments give them new importance." They present the outstanding fact of our present economic and social life, and impress us with the absolute necessity that one should keep himself "up to the minute" in his knowledge of current changes, and should constantly and intelligently ask himself the question, "Where do we go from here?"

But if one should make a fun-

damental error in his study of these accelerated trends and then act on his findings, his affairs would soon meet with inevitable disaster. Such an error is being made in the common assumption that when there is a rapid trend in

one direction, the rate will be maintained, or even increased by momentum, and the direction will not be changed. The fact is that the rate and direction of trends never remain constant, but are themselves subject to change.

No trend proceeds uniformly by a vertical or horizontal or oblique line, but by a fluctuating line.

We seem to have lost our sense of humor in dealing with trends in certain business processes. Let us cite a few examples:

No proof in trends

HERE is a nationally known authority in matters relating to agricultural interests, who states that, because corporation farming is developing at a certain known rate, the family farm will pass away in a few years. The development of corporation farms can be demonstrated in graphic form, and the line at the time of consideration ascends at an increasingly accelerated rate.

Something of the same thing seems to have happened in the experience of the bicycle, the eskimo pie, Eucalyptus groves and other



We spend much of our time wondering what would happen if certain things should occur

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projects in which capital has been invested. As a matter of fact, corporation farms are few compared to the number of farms operated by the individual farmer, and a study of the possible development of this type of farm organization does not lead to the conclusion that it is soon to be the only American type of farming.

The rapid increase in the numbers of such farms in the period of agricultural depression seems to have been not according to the choice of those who entered the business, but rather a device to save them from further losses. Although in a few cases corporation farming has been undertaken by a preconceived plan, there seem to be more cases in which banking interests found themselves owning farms because of mortgage foreclosures. The land was unsalable, and the bankers sought some means to keep the farms producing.

Almost six million farms in the United States are operated by individuals, and it is a safe bet that at least five million of these farmers are not contemplating merging their holdings into corporation form.

Small business flourishes

EVEN corporation industry, generally heralded as elected to put all private enterprise out of business, has not justified the forecast. Although a large percentage of all manufactured articles used in the United States are made in large factories operated under the corporation form of business organization, yet it is also true that, counting all of our manufacturing plants, some 75 per cent of them are relatively small and owned and operated by individual enterprisers or on a partnership basis.

Yet we still hear befuddled people quoting statistics showing the rapid rate at which corporation manufacturing drove out the individual enterpriser, and dolefully concluding, "All industrial production is going into the corporation form, and there is no opportunity left for the individual with an idea and only small capital with which to work it out in his own community."

A few years ago town merchants were organized to fight the mail-order house. "Don't patronize the mail-order house." "Trade at Home." "Be Loyal to your Home Merchants." These were some of the slogans appearing in show windows.

It was Elbert Hubbard who said, "If

your enemy talks about you, put him on your pay roll; no matter what he says; just so he talks." The best mail-order house advertising ever published was displayed absolutely free of cost to the houses advertised.

It was commonly said in that day that at the rate at which mail-order business was increasing the time would soon come when there would be no local retail stores and all retail business would be done by mail.

We certainly must class this prediction among the "things that never happen," now that we find the mail-order houses themselves opening retail stores in local communities. Someone was guessing wrongly with regard to trends.

A president of a chamber of commerce in a city of some 15,000 population told me the other night at the annual banquet, "I was in business until a few years ago. But I saw clearly that the chain store was taking everything, so I sold out and rented my building to a chain-store company. It is evident that, at the rate of development of the chain-store system, we are rapidly ap-

proaching the time when all retail business will be done by the chain store, and there will be no place left for the individual retailer."

proaching the time when all retail business will be done by the chain store, and there will be no place left for the individual retailer."



Bankers, finding farms on their hands, have sought some means to keep them producing

Can't chart future

ONE might chart graphically the line of chain-store development, and if the items given weight were the added number of chains, the added numbers of local stores, the added amounts of commodities sold through this system—the line would no doubt be shown as ascending rapidly.

It would be something else again to discover if or when these rates of increase began to slow down, and to answer the question, "Where do we go from here?" Also there are the moot questions of profits to the investors, incomes to the managers and clerks, reaction of the community after the newness has worn off—and a lot of other perplexing questions the answers to which are not yet known but will have, when they can be known, a tremendous effect on the direction which the chain-store trend takes.

The new forms of organized life will doubtless not disappear from the picture in any near future, and may always remain there. Corporation farming, corporation industry, the mail-order house, the chain store—they doubtless have come to stay.

But certainly it is time that we should all understand that, in the last analysis, the things which present trends indicate will eventually happen are the things which never do happen.

Perhaps the farmer may safely continue to farm, the inventor continue to manufacture his product in the home community, the retail store operate regardless of the mail-order house, and the individual retailer make profits alongside the chain store.

1½ TON DODGE TRUCK

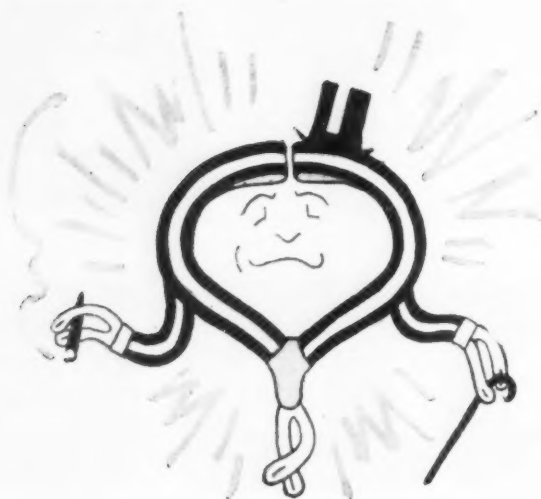
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The humble suspender
has dressed up and be-
come style conscious

The Gallus Preaches a Sermon

By JAMES TRUE

Associate Editor, "Sales Management"

CARTOONS BY CARD

And the moral is, "Forget competition and make the goods the public wants if you hope to succeed"

IN the decline and rejuvenation of the suspender industry there is a significant warning to many manufacturers, and a number of suggestions for the creation of business in various lines. Apparently, there is no reason why many other now practically obsolete articles of merchandise cannot be brought back into favor.

For the suspender business has been raised from a dormant to a flourishing condition, and its come-back not only suggests the possibility of other revivals, but also indicates that in other lines there are profitable fields for merchandising that are as yet unexplored.

The suspender industry began to slide during the last year of the war. For a long time the manufacturers had been competing with each other and importers on price, and striving to make the goods as cheaply as possible. A similar condition exists among the manufacturers of numerous industries, and the same tendencies are noted that brought the suspender industry to its lowest ebb about seven years ago.

At that time, the largest operator in the country was the Pioneer Suspender

Company, of Philadelphia, and its president, Leo H. Heimerdinger, decided that another year or two would see the extinction of suspenders in America if something were not done to turn the tide. So he called all the manufacturers together to raise a fund in the hope that an advertising campaign might encourage the return of suspenders.

Campaign for a comeback

"IT was a tough proposition," Mr. Heimerdinger explained recently. "We quickly agreed that something had to be done, and we voted unanimously for a campaign. But money was scarce in the suspender trade. My company was in a better position than some of the others because we were doing a large belt and garter business; but we could not afford to take much of a chance. However, what we all lacked financially we made up in eagerness to tackle what seemed to be a lost cause.

"We held meetings and formed an association to bolster up the industry, for we were determined not to go down

without a fight. All our manufacturers contributed as generously as they could. We also asked the manufacturers of our materials and supplies to help us out, and after our campaign we found that we had just \$30,000.

"Looking back, I now realize that the condition of our industry was our own fault. Eight years ago, about 90 percent of all suspenders were retailed at 50 cents a pair. We had been content to drift along, cutting prices to get the business away from each other, and inevitably cheapening the product, in the belief that low prices controlled volume. In doing this we ignored an important merchandising principle. We failed to realize that the controlling factor is not price, but the desire of the public for better utilities of all kinds with a more stylish, attractive appearance. It appears that many manufacturers in other lines are still making that mistake.

"A comparison of results now seems amazing. In 1914, Frank A. Freeman, who originated the Pioneer Company 52 years ago, offered to sell out to me. The business had made money every year of its existence. I had no trouble in raising the necessary capital, and since then, for several years, the annual net profits have exceeded the price I paid.

"Perhaps the fact that we were making money on other products encouraged

1 in 1911 74 since!

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Branch offices in New York, 26 Cortland Street; San Francisco, 320 Market St.; Chicago, 360 No. Michigan Ave.; Melbourne, N. S. W. and London, England



The Pillsbury Flour Mills Co. bought their first Pneumatic Machine in 1911. Since that time, they have added 74 more to help their packaging operations keep pace with their steadily increasing sales and production. Theirs is a practical duplication of the experience of the Great Atlantic and Pacific Tea Company, Colgate-Palmolive-Peet Company, Lever Brothers, Swift and Company, and hundreds of others of similar importance.

The Pneumatic Scale System of Packaging Machinery is built on the basis of unit design that allows the manufacturer to start with one machine and add on correlated machines as his needs increase, until his entire packaging operation is automatic. An interesting presentation of Pneumatic Scale Packaging Machinery . . . printed in full colors and featuring a story of service to America's leaders in mass production, has been issued. Write for this interesting new book, "An Interview."



AMERICA'S LEADERS IN MASS PRODUCTION

J. S. PILLSBURY

PILLSBURY FLOUR MILLS COMPANY

"A few seconds per package wasted, or a mere shade of overweight, may mean the difference between a profit and a loss. In the modern competitive race for lowered costs, food specialties must be weighed with absolute accuracy, packaged, sealed, and labeled at high speed . . . We have found Pneumatic Scale packaging machinery an invaluable step in economical production."

PNEUMATIC SCALE PACKAGING MACHINERY

When writing to PNEUMATIC SCALE CORP. LTD. please mention Nation's Business

my company to slumber along in the suspender business. When suspenders went out our belt business increased and we were not greatly worried. But another discouraging condition was developing. As belts became popular many manufacturers began to make them. It appeared to us that every company that owned a few sewing machines went into belt production, and the cheap competition indicated that belts would soon be in the suspender class, with the business reduced to a few simple items sold on a price basis."

The association realized that it did not have enough money to attract much attention. As Mr. Heimerdinger remarked, \$30,000 cast into the sea of national advertising would hardly have made a ripple. So the association concluded to take a sporting chance and spend most of its money on free publicity. It was much easier then than it is now to get stories and cartoons into the papers, and a bright young man with newspaper experience was employed and told to go ahead.

Publicity helped the industry

PAPERS all over the country published the suspender stories and pictures. Some of the material was amusing. At the time, the Ford car was the subject of innumerable jokes and its sales were increasing rapidly. So the association de-

cided that the danger was in allowing suspenders to be entirely forgotten, and that almost any means were justified in keeping the "gallus" in the public mind.

"The campaign had its serious side, too," Mr. Heimerdinger continued. "In our publicity we used testimonials from fashionable tailors, and quoted leading physicians to the effect that suspenders were preferable from a health standpoint, because appendicitis and stomach trouble might be caused by wearing tight belts.

"We were not particularly proud of this phase of the campaign, and decided to try out a little straight newspaper advertising in New York City. It is surprising how quickly this experiment proved that paid display space in newspapers is much more effective than crashing the gate of the news columns. At last we were on the right track.

"By the time the \$30,000 was gone, the industry had noticed a slight improvement in the demand for suspenders. We had taken a chance and our effort had indicated that the public could be induced to buy an increasing number of suspenders. This was so encouraging that individual manufacturers then began to advertise and merchandise their goods."

The rest of the story is concerned more with Mr. Heimerdinger's experience. He explained that he had been in the suspender business most of his

life, starting as a lad in Chicago as a carrier for a salesman. When the salesman resigned, he was given a chance to sell goods at a salary of nine dollars a week. He first sold the cheapest stores and obtained a great many orders, but soon discovered the problem of credits, for most of his orders were refused by the house.

So he bolstered up his nerve and tackled the big, fine stores, and determined to sell only the best trade in the future. Then, in 1900, he changed houses and went with the Pioneer Company, and after his first year he maintained his position as leader of the sales force until he was taken into the firm.

Renewed advertising efforts

"YOU can realize," he said, "that I was particularly discouraged at the slump because suspenders had played such a dominant part in my business life. For the same reason I was elated at the faint stir the industry made in waking up. My company set aside an appropriation of several times the amount of the association's campaign fund, and we began to advertise and really merchandise suspenders.

"Until about six years ago, the sore spot of the business was the fact that the bulk of the volume was on 25 and 50 cent items. When the new era arrived, I recalled my first real lesson in merchandising, and determined that in the future we would trade up instead of down. Trading down was all that ever was the matter with the industry.

"We used to sell about 100 dozen 50-cent suspenders to one dozen of the dollar grade. Now we are selling at least 25 dozen of the dollar goods to one dozen of the 50-cent grade, and we are distributing a still larger volume of suspenders that retail from \$1.50 to \$5.00 a pair.

"In all our merchandising we forget competition. We decided that if we were going to spend hard-earned money on advertising we would have to make better and more attractive goods. So in our advertising we have emphasized style. We think nothing of paying a good artist \$1,000 for a painting that features suspenders on a fashionably dressed model. Also, unhesitatingly, we spend many thousands of dollars for space in popular magazines and college papers to publish these illustrations and tell the men and boys of the country what we think they should think about suspenders.


"This trading up idea has been so effective that I wonder why it is not the basis of more merchandising. Be-



The chief trouble with the suspender business was that men grew tired of the unsightliness of the old gallus



*The mark
of Industry's
greatest thief!*

WHEREVER it appears material is spoiled, money is wasted, time is lost! Nearly every manufacturer has at least one process in his production that is being done by slow, wasteful hand labor because no machine has ever been made to do the work.

Today a number of manufacturers are making a better product, larger profits and have outstripped competition through the work of Special Production Machines, Inc. For some we have designed and built efficient machines to eliminate waste and slow hand labor, for others we have redesigned and speeded up existing machinery to new high output.

If you need a machine that has never been built, if there is some process in your production that is not as efficient as you would like it to be, we can help you. Send for the booklet describing the Services of Special Production Machines, how it operates and how it is serving manufacturers. Address Special Production Machines, Norfolk Downs, Mass.

Special **PRODUCTION MACHINES**

A Division of PNEUMATIC SCALE CORPORATION, LIMITED

For over thirty-five years Pneumatic Scale Corporation, Limited, has manufactured automatic labor-saving machinery for many of the world's largest producers of merchandise.

When writing to SPECIAL PRODUCTION MACHINES please mention Nation's Business



Untie him—before you hire him

MANY a motorist commits a fundamental error when his brakes are relined. He insists on a low price. The brake service man cannot cut the price he pays for labor; so all he can do to keep down the cost is to use a cheaper lining. But inasmuch as the service the motorist gets out of the job depends entirely on the quality of the lining, the net result of his effort to achieve economy is the very opposite of that.

The brake service man who is not free to use the best lining is handicapped just as badly as though one of his arms were tied up while he had to work on the car.

Untie your brake service man. Do not be content with making it possible for him to use the best

linings; *insist* that he use them.

The largest bus and truck operators use Ferodo Linings; they wouldn't do so if it didn't pay. Ferodo Linings cost a few cents more per foot. But they last so much longer, they are so much more dependable, with less noise and fewer adjustments, that they pay for their extra cost many times over. No wonder that a careful survey of the field shows Ferodo Linings to be the fastest growing linings in point of sales. You, too, will find it pays to specify them.



FERODO AND ASBESTOS INCORPORATED

Manufacturers of Ferodo Bonded Asbestos Brake Lining in rolls, Ferodo Pat. Die-Pressed Brake Segments, Ferodo M-R Lining and Ferodo M-R Brake Blocks.

Factory and General Offices: New Brunswick, New Jersey

When writing to FERODO AND ASBESTOS INCORPORATED please mention Nation's Business

cause of the tendency in other industries to trade down, to fight competition with low prices, I believe that a great many manufacturers are plowing through unnecessary distribution mire. Price, we have proved beyond every doubt, is not the controlling factor in the final purchase of suspenders, and, unless I am mistaken, it is not the controlling factor in the purchase of anything but a few staple products.

"Haberdashers and clothiers never used to think of displaying suspenders, but kept them on the shelves until called for. Now you will find them prominently displayed because they are attractive.

"Of course, we have applied the lesson learned from suspenders to our other products. A few years ago the principal items in our line of garters retailed at 25 cents. Now we sell about 30 times as many at 50 cents.

Trading up on belts, too

"UNTIL four years ago, a dollar was about the limit for a belt. We made an excellent line of belts to retail at that price; but we reasoned that the trading up principle would apply to belts as well as to suspenders and garters. So we made belts more attractive and gave the public a wider variety.

"Owing to our trading up effort, our belt business has grown with the increase in the suspender business. I think that most men and boys own both belts and suspenders. Then, too, when the word got around that suspenders were coming back strong, a lot of little sideline manufacturers thought that belts would go out, and dropped them. Belts were no longer attractive to the casual manufacturer, and the business came to well established manufacturers.

"Today, the suspender industry is in much better condition than ever before. My company is selling more than twice the largest volume we ever had before the decline. We have maintained our position and our important competitors have maintained theirs. From our experience I recognize two important lessons that appear to apply to most of the goods manufactured in America.

"The first is the necessity of trading up instead of down in merchandising, if trade slumps are to be avoided. The second is, don't do as the suspender makers did for many years and produce goods according to the dictates of your competitors. Forget competition, and make the goods that the public wants. Then advertise intelligently and the public will pay you an increasing profit for your trouble."

PURINA MILLS



BETTER LIGHTING FOR THE MILLING INDUSTRY



Mr. Nungesser is one of an experienced staff of illuminating engineers maintained by the National Lamp Works to help you obtain the maximum from your lighting.

Working in cooperation with R. A. Nungesser, illuminating expert, attached to the Mississippi Valley Division of the National Lamp Works of General Electric Company at St. Louis, the Ralston-Purina Company recently relighted 20,000 square feet of floor space to an intensity of 15 foot-candles or $2\frac{1}{2}$ watts per square foot.

Why? Here is what Ralston-Purina says: "Lighting encourages orderliness, cleanliness and pride in appearance. Pure foods cannot be made in dirty, dingy factories, nor the best brain work be done in dark, dingy offices. Engineers have studied our lighting system, appreciating that proper lighting is a very important factor in the proper functioning of the various departments in the business."

You may not be in the milling business, but you are interested in the increased efficiency, lower production costs, fewer accidents, less spoilage and better morale which better lighting provides. There is a G. E. illuminating expert stationed near you who will be glad to make a personal survey of your plant and submit recommendations without cost to you. He will work with your engineers and arrange a trial installation in one department if you so desire. Simply write to the National Lamp Works of General Electric Company, Nela Park, Cleveland, Ohio.

Join us in the General Electric Program, broadcast every Saturday evening on a Nation-wide N. B. C. Network.

GENERAL ELECTRIC
MAZDA  LAMPS

When writing to NATIONAL LAMP WORKS OF GENERAL ELECTRIC COMPANY please mention Nation's Business

Getting Full Value for Uncle Sam

By C. MORAN

LABORATORIES where dishes are smashed, glass is shattered, clothing destroyed, baseball bats splintered, and a thousand other commodities twisted, bent, stretched, broken and otherwise wrecked are operated by the Government at Washington.

The primary purpose of this destruction is to insure that Uncle Sam receives full value in the commodities he buys annually for the White House, the Army, the Navy, and other government establishments. A list of these commodities fills 600 closely printed pages and numbers some 3,000 articles ranging from after-dinner coffee cups to men's nightshirts. The 170,000 separate tests made annually call for application of nearly every branch of physics and chemistry.

This wholesale destruction is accomplished usually by ingenious machines which simulate the wear and breakage of each commodity in actual use. Actual service tests are also made. For example, a building made of some 50 brands of stucco was erected recently in an exposed place on the government grounds. Service notes all factors at once, and the fittest stuccos will survive.

Actual tests, however, usually take time and money and cannot be used when quick results are desired. Simulated conditions are then provided. Tires are run against studded wheels to imitate road bumps, glass tumblers are dipped alternately in hot and cold water to simulate heat changes in dishwashing, cloth is abraded by rotating blades to give a wear similar to rubbing a garment. Structural materials for buildings are made to endure many alternations of



PHOTOGRAPHIC LABORATORY BUREAU OF STANDARDS

An electrolytic determination is one step in the government analysis of nonferrous materials

THE mere list of things the Government buys each year is great enough to fill a book of 600 closely printed pages. But Uncle Sam is a careful buyer. He uses all the aids science offers to make sure of the quality of his purchases

moisture and dryness, heat and cold, to duplicate climatic variations or stress encountered in use.

Speeding up wear and tear

IMPACT tests are made on street-car rails, giving results far more quickly than service exposure would give. Paper is folded rapidly back and forth automatically to measure folding endurance, duplicating in a few minutes the service wear of months. Watches are tested hot and cold; with stems up, down, side; with faces up and down, to duplicate the positions encountered in service.

The items to be measured must be analyzed and separately studied. A simple test may require elaborate research

to perfect the measuring devices and to insure accurate methods. Special facilities are planned and provided for the various tests as needed. For example, airspeed meters, used under low atmospheric pressure encountered in high air flights, are studied as to their performance in reduced pressure (partial vacuum) and in wind streams. The proper test of aircraft engines requires elaborate measuring appliances, a special airtight room in which air speed, pressure, and temperature may be varied at will, and a plant for producing such extreme atmospheric variations under measured control.

To test the streamline efficiency of an automobile, or the wind pressure on a house, requires small-scale models, a wind tunnel with large motor-driven propeller, and weighing mechanisms of unique kinds. Where constant voltage is required as

in the life tests of lamps or storage batteries a special generator may be used, governing to constant output voltage. To test structural materials crushing and tensile forces are available up to thousands of tons.

Even so simple a test as that of a steel tape calls for carefully planned procedure and elaborate equipment. Metal measuring tapes are used by the surveyor, engineer, and builder to measure the land, the grading, the construction. Accurate tapes are essential for perfect work. A tape-testing tunnel 165 feet long with means to cool or heat it to duplicate the range of temperatures at which tapes are used is equipped with a set of thermometers, microscopes, tension balances, and micrometers. In this

tunnel is a track on which travels a truck of melting ice holding the standard of length which is true length only at the freezing point of water.

The distances between a series of piers are marked by a hair line in a microscope on each pier. These hair lines are adjusted so that they are one meter apart and the truck is moved to permit one-meter intervals to be laid off to give an interval of five meters, and this interval is repeated to produce a total interval of fifty meters or 165 feet. Geodetic tapes are compared directly with the interval.

Results of tests are checked

IN using accelerated tests, the experimenters must find how actual service may be learned from accelerated test results, and what correction to apply to give a true gauge of useful life. Dyes and inks are faded under ultra-violet rays more intense than those encountered in service, so that the test may be

used in advance as a basis of purchase and use. In the life test of electric lamps, run at "forced voltage," a known correction factor increases the rating to the true measure of useful life.

Some of the test devices write their own report by means of a curve or a number which is self-explanatory at a glance. Autographic cooling curves are plotted to note rates and changes of rate of cooling and to study critical temperature points which tell of changes of molecular arrangements in metals and the quality they represent. A photometer has been designed to record the candle power of lamps under test. The strain and yield of materials under stress are recorded as graphic curves. Time signals and watch tests are recorded on a chronograph, time being translated into length on a pen-traced line.

Many of the testing instruments are photorecording, frequently by light reflected from mirrors, the turn of which measures the quantity under test. The faults of metals are recorded magnetic-

ally as curves on a photographic film.

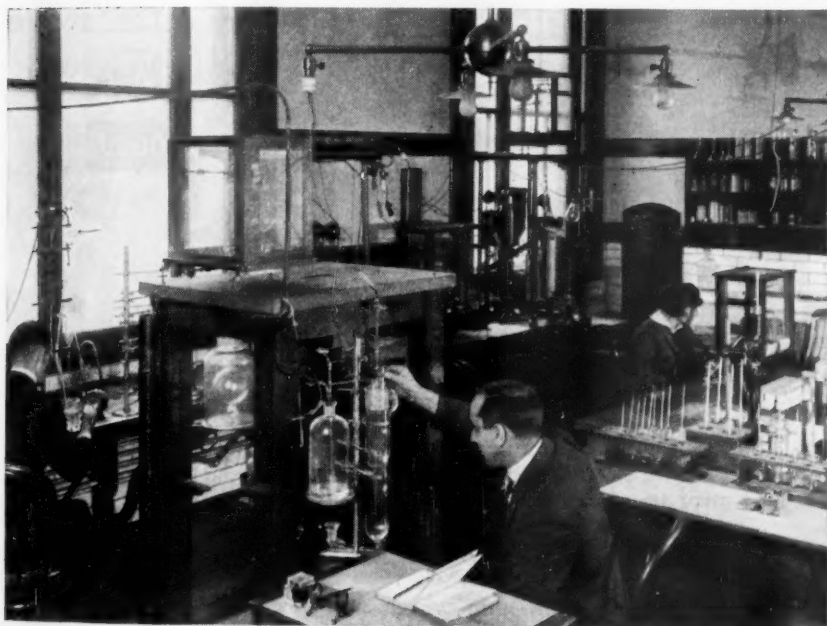
Photography plays an important part in the tests, by recording the appearance of columns, girders, truck wheels, and other apparatus before, during, and after test, to show the structure of a fracture or microstructure of failed parts. The camera records test effects not as yet measurable, but useful in judging a material.

Aim is to make tests simple

THE aim is to make methods of testing simple and as nearly automatic as possible. New methods are devised which actually tell the story at a glance; for example, light waves of a single color show at a glance any deviation in the thickness of the cover glasses for blood-count apparatus. A glance shows the observer to within a hundred-thousandth of an inch whether the surface is true flat. High-precision gauge tests are almost equally simple.

Methods for quick and exact measurements must be devised for all routine tests, and many tests once laborious are now semiautomatic. The first one-inch gauge disk required many hours of fine micrometer measurements. Today a much higher accuracy is attained almost at a glance, using the interference fringes of light rays.

Besides testing commodities for his own use, Uncle Sam makes service tests of commodities for private organizations, although the government laboratories draw the line at testing secret processes. The laboratories frequently serve as referee in disputes between manufacturers and buyers over the quality of merchandise.



New methods are constantly sought to make tests more rapid and accurate. This is the test for hydrometers

This apparatus measures the magnetic properties of materials to detect flaws and automatically writes down its findings

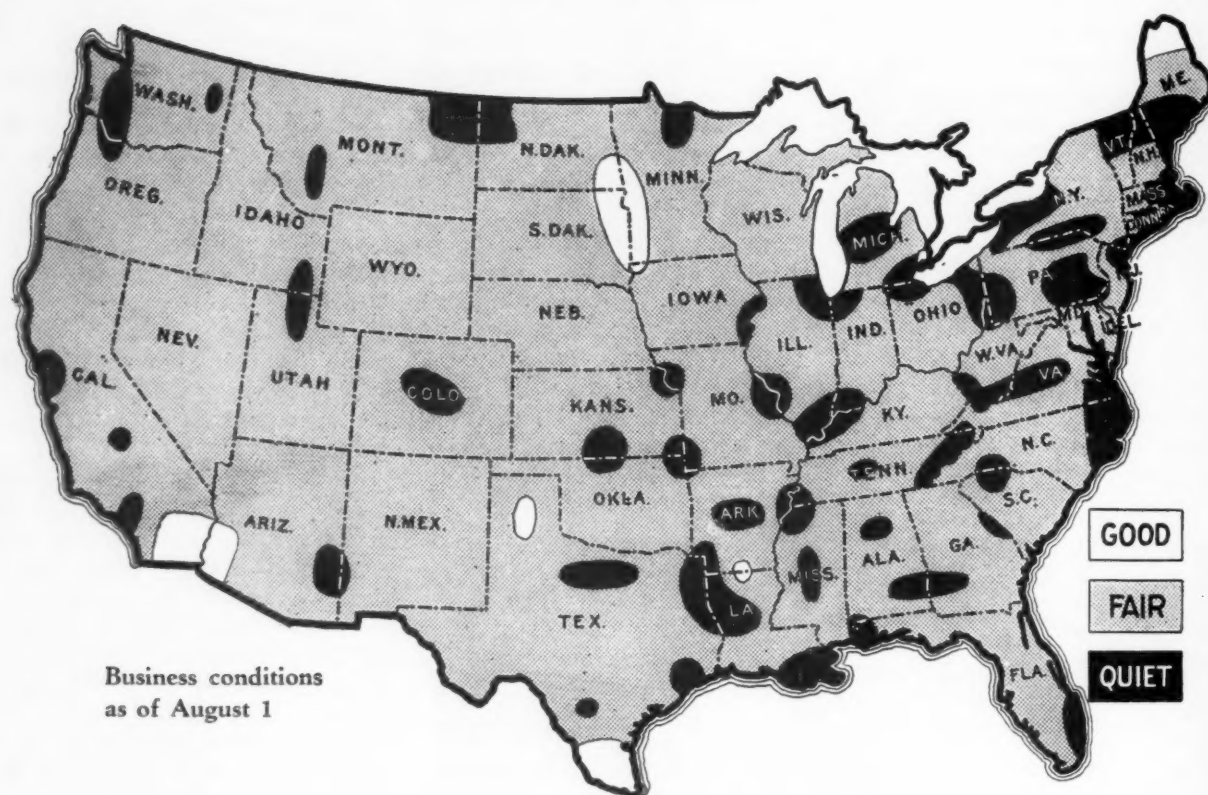


PHOTOGRAPHIC LABORATORY BUREAU OF STANDARDS

The Map of the Nation's Business

By FRANK GREENE

Managing Editor, Bradstreet's



Business conditions
as of August 1

A DESCRIPTION of trade and industry in July might perhaps be best summed up in one of Gray's lines regarding "the short and simple annals of the poor." Business and industry were at a low ebb during the month and the expression so frequently heard that things were "scraping on the bottom" was certainly truer of July than in any month preceding. The weather was against trade and crops although good enough for vacation activities.

Many industries, particularly those which had had an unsatisfactory half year's trade, took advantage of the opportunity to suspend operations for from one to three weeks or more; retail buyers took some interest in reduction sales in summer wear with the result that this was about the most active of all branches; wholesale trade slackened and did a hand-to-mouth business in small replacements and alto-

TRADE and industry were at a low ebb during July. The weather was against trade and crops. Many industries took advantage of the opportunity to suspend operations for from one to three weeks. However, August brought a considerable gain when automobile production was speeded up

gether the month's operations were probably the lightest both in volume and in value that have been witnessed for many years past.

With the advent of August a conspicuous gain in industry was scored in the case of automobile production which was resumed on a four to five day basis by perhaps 200,000 men if not more. This resumption in turn speeded up demand for automotive products and accessories of various kinds besides helping iron and steel production.

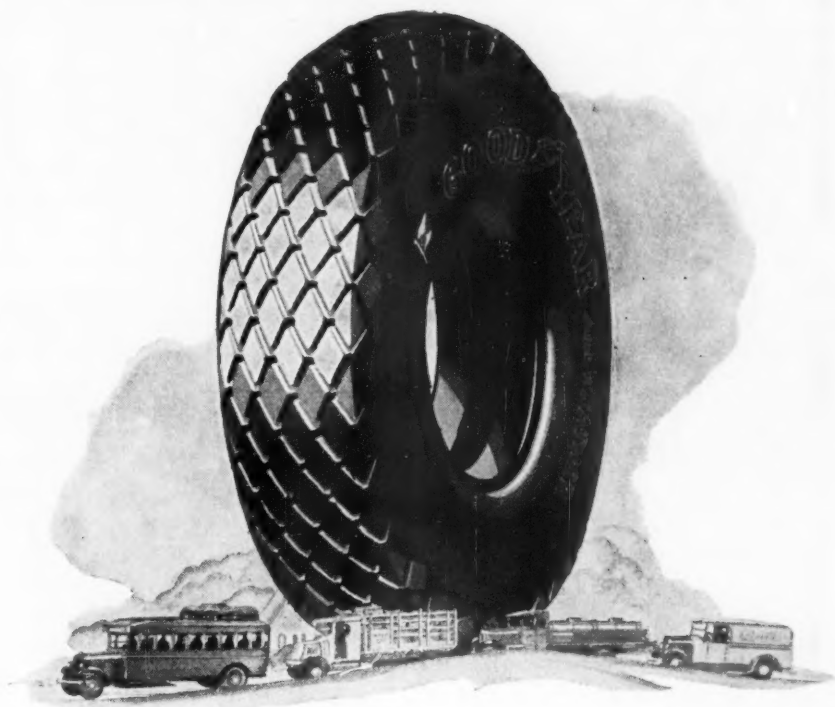
The hottest, and probably driest,

month in the sixty-odd years for which weather records are available, took a heavy toll from the agricultural interests, which saw a prospect as of July 1 for fairly abundant yields converted into several serious crop shortages by at least two distinct heat waves accompanied by notable lack of rain, this more particularly in the central West and central South which usually provide the bulk of the country's

crop surpluses.

The winter wheat crop was made and much of it gathered before the hot, dry wave but the early promise of spring wheat was not maintained. This led to the feeling that the wheat crop as a whole would be little larger than last year.

Corn, ordinarily a crop that prospers with hot weather, lost probably the greatest proportion of early promise but cotton, hay, tobacco, potatoes and a variety of other smaller crops, these especially of the garden vegetable type,



DON'T PASS UP

the greatest trucking help of the year!

It was a big event for truck owners when Goodyear developed truck balloons.

Now that trucks are built for speed, these newest Goodyear Tires deliver all the advantages to trucks which balloon tires brought to passenger cars.

Because they absorb jolts, they protect the truck mechanism—reduce vibration—bring down maintenance and repair costs. They protect the load

from jars—they enable trucks to cover more miles per day, make more deliveries per day, because they travel faster, hold the road on curves, and provide greater traction on or off the pavement.

And beyond all that, these new Goodyear Truck Balloons make the tire cost per mile lower than it has ever been under similar operating conditions. They stand up under the heat of fast driving—they

make punctures even scarcer than they have been before—they roll softly over bumps that would break down many a high pressure tire.

When you get balloon tires for your trucks, get Goodyears. Goodyear pioneered and perfected truck balloon tires—and Goodyear Truck Tire Service Station Dealers have the advantage of the greatest balloon truck tire experience in the tire industry.

On your new trucks, specify Goodyears

GOODYEAR

MORE TONS ARE HAULED ON GOODYEAR TIRES THAN ON ANY OTHER KIND

When buying GOODYEAR TIRES please mention Nation's Business

lost also, just how much will need September 1 crop returns to determine.

Written as this is before the August 1 government crop estimates have appeared, little can be said definitely but private estimates of the wheat crop pointed to 825 million bushels against 808 million bushels indicated on July 1 and 807 million bushels gathered last year. Corn estimates as of August 1 pointed to 2,500,000,000 bushels as against 2,802,000,000 bushels indicated on July 1 and 2,614,000,000 bushels gathered last year. The prospect was for 1,275,000,000 bushels of oats as against 1,234,000,000 bushels gathered last year whereas the July 1 prospect was for 1,329,000,000 bushels.

Relief from drouth asked

IN ADDITION to the actual damage to crops there were reports of wells running low, of heavy losses of fish in fresh water streams, of high prices paid for drinking water, of damage by forest and grass fires, calls on the Federal Government for relief for the farmers, most of this relief to be provided by the railroads and all the other usual phenomena of drouth damage rarely evident in recent years.

Out of the mass of heat and drouth damage reports, however, there came, as is not unusual, some seeming offsets in the matter of price movements which seemed to reaffirm the truth of the old proverb that what is one man's meat is another man's poison. After reaching new low levels in late July, the lowest since 1914 in fact, wheat turned sharply upward but before this had happened, on July 29, corn, usually playing second fiddle to wheat in the matter of prices, passed the so-called premier cereal, gaining 21 cents a bushel from July 8 to August 5.

Prices are steady

OUT OF the dislocation of price relationships between the great cereals but proceeding from causes related to crop damage, there apparently has developed the beginning of something new in farm product prices which if it gathers force may put an entirely new face upon the entire commodity price situation.

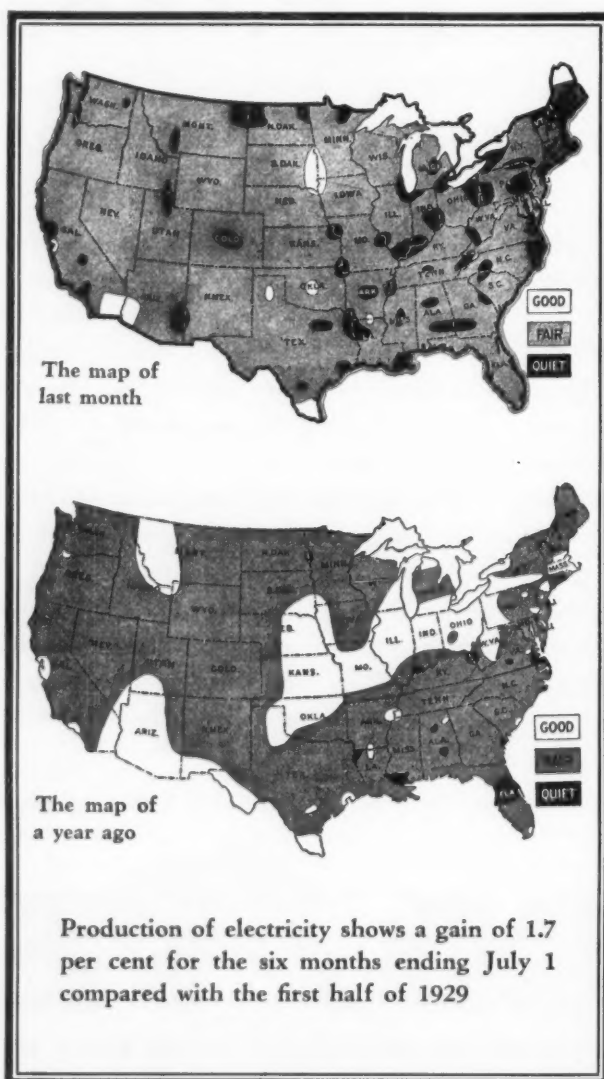
This was a notable stiffening of prices of farm produce which was reflected in the August 1 report on prices by Bradstreet's. It is true that the price level as a whole declined in July, the August 1 Index Number showing a decline of one per cent; that declines in prices outnumbered advances by nearly three to one and that only one group, fruits, advanced. But when the movements in the various groups are examined it is found that five important products, corn, rye, eggs, butter and tobacco, all affected by the drouth, actually advanced in July and that breadstuffs and live stock naturally affected by heat or lack of rain or the strength in the above cereals showed little weakness. Taken in conjunction with the steadiness of coal and coke, building materials and chemicals which did not change, this shows that nearly half the groups making up the total index number did not change much if any, and seemed to indicate that the ten months' long decline from November 1, 1929, to August 1, 1930, is losing some of its strength. It is not impossible that such a movement,

even if based on ultimately unfavorable agricultural developments would be powerful enough to affect other non-agricultural products in a like way and retard if not entirely check the downward trend in the general price level. Indeed this check to the declining trend in domestic products might have far more important effects on general business, for the time being at least, than the numerous sunshine movements which have been launched in the past ten months.

Crop damage may help trade

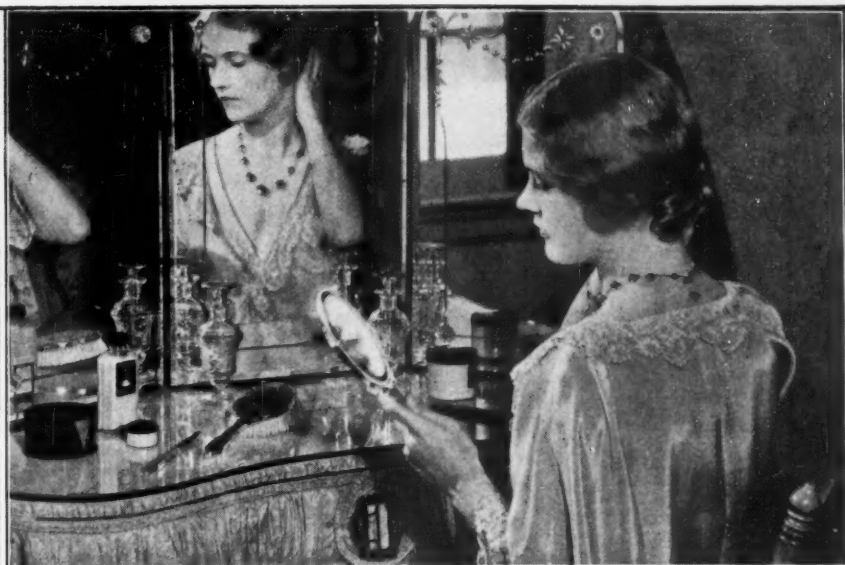
THIS suggestion of crop damage as a source of business revival undoubtedly has its economic shortcomings, especially at a time of widespread depression and unemployment in industry; but it may be submitted that this country has often before displayed independence of ordinary economic rules—this not so long ago, by the way—and, as the saying is, "gotten away with it" for a time at least.

In checking up the results by what few returns for July are available at the time of writing and those for June and the half year which are now fairly complete, one is struck by the paucity of increases shown. Failures for July showed an increase in number of 22.9 per cent and for seven months were 19.3 per cent larger. Liabilities on the other hand were 31 per cent less for July but 36.9 per cent larger for seven months. This variation is explained by fewer bank failures for the month but more bank and other large suspensions for the year to date. On the favorable side in July, were the 20.9 per cent increase in municipal, state and other public bond sales, designed to provide capital for improvements intended to give work to unemployed. For seven months a gain of 9.2 per cent is shown. Sales of bonds on the New York Stock Exchange decreased 37.2 per cent for July but gained 2.1 per cent for seven months. Sales of stocks on the same exchange decreased 48.8 per cent for July and 14.2 per cent for the seven months. Bank clearings decreased 22.4 per cent for July and 16 per cent for seven months. Bank debits fell respectively 29.1 and 21.1 for the same periods.





BAKELITE SURVEYS A NATION'S INDUSTRIES



COSMETICS *and* PERFUMERY

A toilet preparation could not hope to find favor with women unless offered in a temptingly attractive package. With goods of this class the container assumes equal, or even superior, importance to that of the contents. In a variety of ways skilful designers are making use of the rich colors and high lustre of Bakelite Molded to enhance the beauty of containers for cosmetics, perfumery and lotions. Bakelite Molded boxes, in lustrous black, are used for face powders, and jars for face creams have covers of the same material in several pleasing and appropriate

colors. Bottles and tubes of many sizes are closed with Bakelite Molded caps. On these packages will be found the famous names of Pinaud, Squibb, Odorono, Stearns, Rubinstein, Dorothy Gray, and many others of equal note.

In addition to beauty of color and finish, Bakelite Molded possesses properties which make it particularly satisfactory for toilet preparation containers and closures. It is chemically inert and non-corrodible. Being non-hygroscopic, it will not absorb moisture, does not swell nor shrink and both color and finish are lasting.

NEXT MONTH RADIO INDUSTRY

The Story of Bakelite. This outstanding romance of industry is of absorbing interest. It is told in an industrial motion picture film showing the various stages in the manufacture of Bakelite, and the fabrication of finished products. A two reel print on standard width non-inflammable stock will be loaned free of charge.

BAKELITE CORPORATION

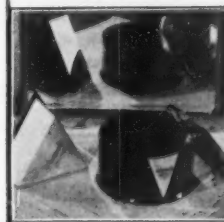
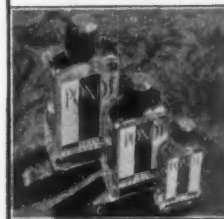
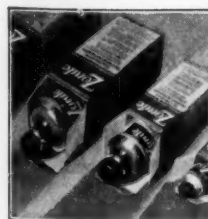
247 Park Avenue, New York, N. Y. Chicago Office: 635 W. 22nd Street
BAKELITE CORP. OF CANADA, LTD., 163 Dufferin St., Toronto, Ont.

BAKELITE

The registered Trade Mark and Symbol shown may be used only on products made from materials manufactured by Bakelite Corporation. Under the copyright "B" is the registered sign for identity or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products.

THE MATERIAL OF A THOUSAND USES

When writing to BAKELITE CORPORATION please mention Nation's Business



Chain store sales, preliminary totals, dropped 5.5 per cent for July and increased 1.6 per cent for the seven months from like periods of 1929. Department store sales fell off 9 per cent for July and 5 per cent for the seven months.

In industry iron ore shipments dropped 19.5 and 26.1 per cent, pig iron production declined 30.2 per cent and 17.7 per cent and steel ingot output declined 39.5 and 21.1 per cent respectively from July and seven months of last year.

Silk consumption in July decreased

22.6 per cent and for the seven months fell 12.5 per cent, but gained 35.9 per cent over June. Car loadings declined 14.5 and 10.1 per cent for July and the seven months.

For June, exports of merchandise fell off 23.9 per cent and imports 29.1 per cent while for six months the decreases were 20.7 and 24.1 per cent from a year ago.

Building in 170 cities showed a decrease of 34 per cent from July a year ago, but a gain of 5.9 per cent over June. The point to this is that New York City

gained 50 per cent over June while decreasing 5 per cent from July last year. For seven months the permits for building decreased 48.3 per cent from the like period of last year.

Cement production for June gained 2.5 per cent and for the half year increased 1.1 per cent while cement shipments decreased fractions of one per cent for both periods. Cotton consumption decreased 28.8 and 20.5 per cent, cotton cloth production 30.5 and 14.1 per cent and cotton cloth sales 43 and 21 per cent for June and the half year from the like periods a year ago. Bituminous coal production declined 12.7 and 10 per cent respectively and anthracite production 2.6 and 8.2 per cent respectively from June and the half year of 1929.

Automobiles and rubber drop

AUTOMOBILE production for July fell 21.4 and for seven months 33.7 per cent from a year ago. Coincidentally rubber consumption in June and the half year declined 20.3 and 19.3 per cent respectively from last year. On the other hand gasoline production gained 5.4 and 7 per cent and gasoline consumption 8.2 and 9.1 per cent over June and the six months of a year ago.

Cigarette output gained 8.5 and 1.7 per cent while confectionery sales fell off 3 and 4.5 per cent respectively from June and the half year of 1929. Cigar and manufactured tobacco production decreased 6.6 and 3.4 per cent for June and 7.3 and 1.5 per cent for the six months. Wool consumption dropped 25.6 and 24.2 per cent from June and the six months of last year.

For May and five months public utility earnings gross and net, gained over a year ago, whereas gross railway earnings and net operating income dropped 14 and 33 per cent respectively for May and 11.3 and 32.8 per cent for the five months from a year ago. Tire production and shipments decreased 25.3 and 22.7 per cent for May and 27.7 and 23.9 per cent for five months from like periods of last year.

Among the really small decreases of the periods under review, the production of electricity is notable with a decrease of only one fifth of one per cent for June with 1.7 per cent gain for the six months.

The small size of the June decrease when compared with those of industry as a whole is possibly to be taken as a sign of domestic use being maintained in the face of reduced industrial consumption.

Business Indicators

Latest Month of 1930 and the Same Month of 1929 and 1928
Compared with the Same Month of 1927

	Latest Month Available	Same Month 1927=100%		
		1930	1929	1928
Production and Mill Consumption				
Pig Iron	July	89	128	104
Steel Ingots	July	88	145	119
Copper—Mine (U. S.)	June	81	118	105
Zinc—Primary	July	97	114	107
Coal—Bituminous	July*	99	117	110
Petroleum	July*	99	116	96
Electrical Energy	June	122	122	108
Cotton Consumption	June	64	92	79
Automobiles	July*	93	175	142
Rubber Tires	May	97	127	105
Cement—Portland	June	100	98	102
Construction				
Contracts Awarded—36 States—Dollar Values	July	66	117	110
Contracts Awarded—36 States—Square Feet	July	63	105	121
Labor				
Factory Employment (U. S.)—F.R.B.	June	89	102	97
Factory Pay Roll (U. S.)—F.R.B.	June	88	107	98
Wages—Per Capita (N. Y.)	June	99	103	101
Transportation				
Freight Car Loadings	July*	91	106	101
Gross Operating Revenues	June	86	103	97
Net Operating Income	June	78	120	98
Trade—Domestic				
Bank Debits—New York City	July*	95	160	114
Bank Debits—Outside (X)	July*	101	120	103
Business Failures—Number	July	115	100	98
Business Failures—Liabilities	July	92	75	69
Department Store Sales—F.R.B.	June	94	105	103
Five and Ten Cent Store Sales—4 Chains	July	108	116	105
Mail Order House Sales—2 Houses	July	143	162	122
Trade—Foreign				
Exports	June	81	110	109
Imports	June	70	100	89
Finance				
Stock Prices—30 Industrials	July	132	196	120
Stock Prices—20 Railroads	July	96	125	100
Number of Shares Traded	July	124	233	104
Bond Prices—40 Bonds	July	98	96	99
Value of Bonds Sold	July	72	115	78
New Corporate Capital Issues—Domestic	July	167	207	146
Interest Rates—Commercial Paper, 4-6 Months	July	78	148	126
Wholesale Prices				
U. S. Bureau of Labor Statistics	June	93	103	104
Bradstreet's	July	83	100	105
Fisher's	July	91	107	108
Retail Purchasing Power, July 1914=100%				
Purchasing Power of the Retail Dollar	July	65	63	62
Purchasing Power of the Clothing Dollar	July	64	60	59
Purchasing Power of the Food Dollar	July	68	65	65
Purchasing Power of the Rent Dollar	July	64	63	62

X Excludes Boston, Cleveland, Chicago, Los Angeles, Philadelphia, Detroit, San Francisco and New York.

* Preliminary.

Prepared for Nation's Business by General Statistical Division, Western Electric Co.

Small Towns Are Still in Business

WHATEVER the fate of the hamlet and the small villages, towns of from 1,000 to 10,000 population are doing more business than ever, to quote the judgment of Dr. C. J. Galpin of the Bureau of Agricultural Economics. "Although the general trend has been for farmers to shift their buying from stores at country cross roads, in hamlets, and in small villages to larger retail trading centers," he said, "the shift in farmer buying to towns ranging from 1,000 to 10,000 in population is increasing their trade area and their purchasing fulcrum."

It is apparent enough that the farmer's shift to a larger trade center means that he is seeking a higher grade, a wider variety and a better choice of all kind of goods.

However questionable the common assumption that the 1930 census will show decreased enumerations in incorporated villages and towns smaller than 10,000 population, there is a reasonable expectancy that the new figures will show a decline in many hamlets and unincorporated villages, and in very small incorporated villages.

But if it so turns out that the small village is shrinking in population, and the populations of the large villages and towns holding their own, as Dr. Galpin surmises, it will be worth remembering that although the total farm population has decreased by 4,000,000 since 1920, the gross cash income from agriculture of the 27,000,000 farm people today is as great—\$10,000,000,000 a year—as that of the 31,000,000 people on farms ten years ago.—R.C.W.

Millions for Art

TWO hundred and fifty million dollars for art! That was America's bill last year, and more. Of this huge amount one-third went for "old masters", according to the *International Studio Magazine*, and more than \$160,000,000 for the works of contemporary artists. "There never was a time," says the magazine, "when the living artist had more recognition or commanded better prices." Many of the individual pieces of "old masters" brought fabulous prices from American business barons who have a flair for the collection of rare and great paintings.

BUILDERS AND ENGINEERS FOR THE BUSINESS LEADERS OF AMERICA

The advertisement features a large, stylized illustration of a city skyline, including a prominent skyscraper and several industrial buildings with smokestacks. Overlaid on this illustration are numerous brand logos and names, including: EVEREADY, SKF, VANADIUM, Domino, Firestone, Victor, THE EDISON ELECTRIC ILLUMINATING COMPANY, CURTISS-WRIGHT FLYING SERVICE, IVORY, Westinghouse, Ford, Scott Tissue, New York, New Haven and Hartford RAILROAD, STANDARD OIL OF NEW JERSEY, GARGOYLE, WESTERN UNION, Lux, and CONOWINGO. The logos are arranged in a way that suggests the company's wide range of services and its association with major American brands.

Business leaders know from actual experience that they can depend upon Stone & Webster Engineering Corporation to meet required completion dates for construction projects. Construction is carried on economically and efficiently. Operation of the completed plant, office building, structure, or development meets every requirement. Our personnel, with a background of over one billion dollars' construction experience, is of a calibre well suited to work with your entire organization.

During the last ten years, more than 75% of our work has been for concerns not connected in any way with Stone & Webster interests. Our service is immediately available to you for any problem in modern building and engineering work.

STONE & WEBSTER ENGINEERING CORPORATION

A SUBSIDIARY OF STONE & WEBSTER, INCORPORATED



"Fifteen cents a week" built this auditorium for the workers of Flint, Mich.

Where Workers Are Clubmen

By C. A. McGRODER

FOR YEARS the advertisements have been telling us what could be accomplished in "15 Minutes a Day." This is the story of what has been accomplished with "15 cents a week" in Flint, Michigan.

By contributing that small sum out of their pay each week, the shop workers of that city have developed their own organization, The Industrial Mutual Association, into the largest and wealthiest employees' welfare organization in the world, an organization with more than 50,000 insurance members and 12,000 club-privilege members.

Living up to its slogan, "Some Place to Go in Flint," the I. M. A. has for years provided its members with every privilege and facility afforded by the most exclusive town and country clubs. These facilities have included club rooms, a wide range of indoor amuse-



One of the Association's summer cottages

ments and sports, an amusement park and summer resort of 400 acres, and an athletic field of seven acres.

To all this has now been added the Association's crowning achievement—the I. M. A. Auditorium—a massive structure covering an area of 240 feet by

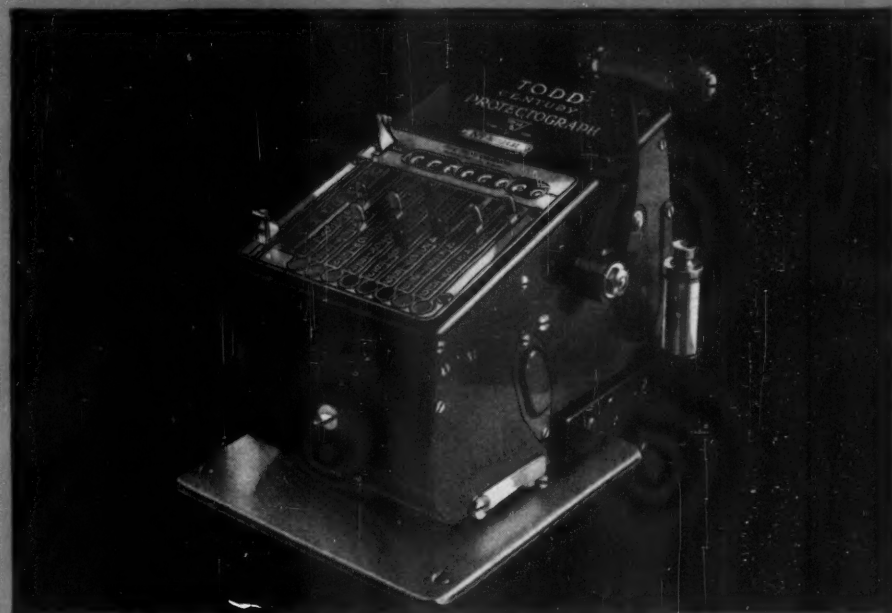
206 feet, and costing nearly a million dollars. A thousand couples can dance in comfort on the main floor of the structure and 6,500 persons can be seated for stage productions.

Programs are varied

THE Auditorium was opened last September with a three-day program of entertainment beginning with an operatic concert at which several grand-opera stars were heard. The next night was devoted to a public inspection of the Auditorium followed by a program by professional vaudeville entertainers. On the third night a

public reception and dance crowded the Auditorium. Two nights later the I. M. A.'s regular indoor season of boxing shows was inaugurated, the first show presenting six bouts. There has been a boxing show every week since and every Sunday afternoon there has

\$10,000 INSURES THE SAFETY OF EVERY CENTURY-WRITTEN CHECK!



ALL PROGRESSIVE business organizations use mechanical check writers. For the saving in time and labor. For neater checks. And, fundamentally, for *protection*. Most of them have chosen the Century Protectograph—because it provides the *greatest possible protection!*

To guarantee the absolute safety of the Century, The Todd Company furnishes, *free* with every machine, a \$10,000 Check or Draft Alteration Policy, good for two years, and *legally renewable*. An outstanding feature of this policy, offered exclusively by this Company, is the affidavit clause covering the user against loss even in cases where evidence of such loss is unprocurable.

To unfailing protection, the Century adds speed and versatility. Its two-color keyboard is easy to read and operate. Keys move quickly, smoothly. Amounts set up are instantly visible on the dials at the top of the machine. The handle responds to a mere touch of the fingers. Simple accessories permit the writing of

vouchers or checks in sheets quite as rapidly as single checks.

The Century's handsome two-color imprint will distinguish your checks as it protects them. Phone the nearest Todd office for a demonstration. Or mail the convenient coupon below. The Todd Company. *Protectograph Division*. Rochester, N. Y. *Sole makers of the Protectograph, the Todd Check Signer and Todd Greenbac Checks.*

THE TODD COMPANY, *Protectograph Division*
1130 University Avenue, Rochester, N. Y.

9-30

Please send full information regarding the Century Protectograph and the affidavit clause in the policy accompanying it, which eliminates possibility of loss even when the checks themselves have been destroyed.

Name _____

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TODD SYSTEM OF CHECK PROTECTION



Flint's workers find health and happiness at their own bathing beach

been a vaudeville bill and moving-picture entertainment, free to members and their friends.

In addition, the I. M. A. has just completed its first concert season, bringing to Flint such attractions as Lawrence Tibbett, American baritone; Rosa Ponselle, soprano of the Metropolitan Opera Company; Josef Hofmann, pianist; the Minneapolis Symphony Orchestra of 80 pieces, and the American Opera Company in "Carmen" with a cast of 60 performers and an orchestra of 30 pieces. "The Vagabond King" and "Rio Rita" were among several elaborate productions staged at the new auditorium by road companies. An indoor circus, with its herds of elephants and other trained animals, ran for three days and nights in February.

The Flint Food Show and the Flint Automobile Show were staged in the I. M. A. Auditorium and a number of important conventions which could not otherwise have been entertained in Flint have met there also.

Long before the automobile came to Michigan, Flint was a vehicle-manufacturing center. When a vehicle-plant worker of that day lost work through accident or sickness it was the custom to "pass the hat" among his co-workers to help him. In the kindly spirit which prompted this cooperation can be found the nucleus of the present Industrial Mutual Association.

A small group of farsighted shop workers with a flair for organization decided that the clumsy and inaccurate "pass-the-hat" method must be superseded by some more systematic relief plan. Workers were recruited to the new



Women members and the wives of male members are provided with facilities for luncheons and parties in the Association's rooms

movement and on September 24, 1901 a meeting was held at which the new organization was launched—rather short on funds, but supplied with plenty of name, "The Flint Vehicle Factories Mutual Benefit Association."

A club for the workmen

JOHN DALLAS DORT, public-spirited citizen and wealthy junior partner in the largest vehicle shop in town, attended that first meeting. Previously Mr. Dort had been approached by a committee of Flint merchants with a plan to provide young men of the city with some sort of a club so they would have "some

place to go" in their spare time. Mr. Dort asked the merchants what young men they had in mind and they explained that they meant the clerks in the various retail stores and possibly the clerks and bookkeepers in the many vehicle plants. Mr. Dort replied that he would be interested only in an organization that provided some place to go for the young workmen in the vehicle plants.

From that day the F. V. F. M. B. A. and other organizations of Flint workers, which all grew into the I. M. A. of today, enjoyed the endorsement, cooperation and financial backing of Mr. Dort and other vehicle-industry executives, as well as that of the executives of the automotive plants which

have grown up in Flint in recent years.

The F. V. F. M. B. A. soon boasted 300 members and, to meet their social requirements, The Vehicle Workers' Club was organized in 1904. The next year the Buick Motor Company was established in Flint and the membership grew. Temporary club rooms on the second floor of a store building sufficed until 1910, when the Club leased a three-story building. Two storerooms on the ground floor were subleased to a barber shop and a combination restaurant and cigar store.

In 1916 another organization, The Industrial Fellowship League, was launched to provide education and out-



Pass your business in review *every day*

EVERY department of your business on your desk every morning... marching past you while you review them one by one. Physically impossible? Yes. Why, it would even be impossible for you to make a daily inspection tour of every department. And monthly reports can soon go stale.

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The answer is daily reports... figures that bring you an exact picture of each department for your unhurried scrutiny.

With Elliott-Fisher you get these figures at nine o'clock every

morning. You get them hours fresh, not weeks old. You get them summarized in a clear, simple form. Sales, shipments, inventories, bank balance, etc. One calls for instant action. Another needs careful watching. All these figures are vital to the sound and orderly conduct of your business.

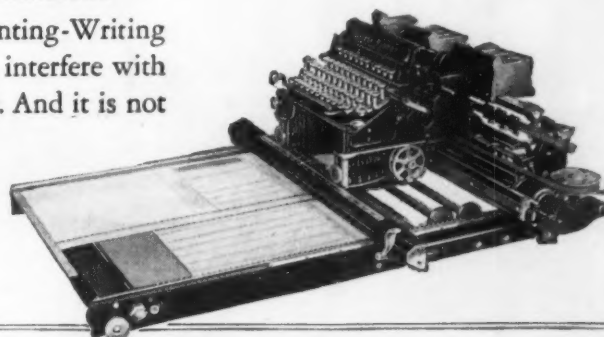
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Elliott-Fisher Accounting-Writing Equipment will not interfere with your present routine. And it is not

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even necessary to add a single name to your payroll. In fact, in many cases fewer people do more work with Elliott-Fisher.

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door recreation. A novel source of revenue was provided for the League when the management of the employees' stores, located in the various shops, was turned over to it.

The late Harry H. Bassett, then assistant general manager of the Buick Motor Company and later its president, saw the possibility of developing a concession privilege into a substantial source of revenue. Mr. Bassett went into his own pocket for \$4,000 which bought out the "good-will" of independent merchants who were selling candy, tobacco and other supplies to their fellow workmen.

From this small beginning has grown the I. M. A. Stores Department of today, consisting of a warehouse and 42 stores. This Department handles an enormous quantity of merchandise and affords the Association its greatest source of income aside from the 15 cents per week paid by each member.

In the early days of the Industrial Fellowship League this income from the stores helped to defray the expenses of the Flint Institute of Technology, which the League started in 1916. Night classes in shop practice, industrial training and engineering were held at first, but by the fall of 1919 the Institute had added mechanical drawing, tool design and other branches to its curriculum and had 315 night students enrolled. At about this time the League also purchased a tract of land at Potter's Lake, 12 miles from Flint, for its outdoor recreational department. Later additions to

this tract have brought the area now owned up to 400 acres.

A merger is brought about

FOR five years the Industrial Fellowship League functioned independently of the Flint Vehicle Factories Mutual Benefit Association and The Vehicle Workers' Club, which had long since become one organization. Leaders of both bodies realized they were both serving a common purpose—the welfare of the shop workers of Flint—and that a consolidation would concentrate in one unit the greatest possible strength for the common good of all. This consolidation was effected September 30, 1922 when the Industrial Mutual Association of Flint was organized and incorporated as a self-supporting, nonprofit-making welfare association.

The enlarged province and increasing membership of the Association rendered imperative a move to more commodious quarters. A fortunate circumstance in the industrial expansion of Flint played into the hands of the I. M. A. at the time of the consolidation and solved its housing problem. The Industrial Savings Bank of Flint was about to build a seven-story office building. Officials and financial advisers of the I. M. A. were able to convince the bank executives of the feasibility of erecting a twelve-story building, the upper five stories to be occupied by the Association as club rooms on a fifteen-year lease.

So favorable were the terms of this

lease and so wisely have the funds of the organization been handled that the Association found it possible to pay the rent for the entire term of the lease during the first four years of occupancy.

Shrewd investment of the Association's accruing income enabled the Association to discount its obligations, purchase real estate, and plan an imposing building program.

This financial guidance was provided by the Association's trustees, each of whom is elected by popular vote of the workers in the plant which he represents. These workers are drawn from a dozen plants, owned by companies which are members of the Flint Manufacturers Association. These are the AC Spark Plug Company, Armstrong Spring Company, Buick Motor Company, Chevrolet Motor Company, E. I. DuPont de Nemours Company, Fisher Body Company, Flint Printing Company, Flint Structural Steel Company, Freeman Dairy Company, Marvel Carburetor Company, W. F. Stewart Company, and the Tri-State Baking Company.

Education proved popular

OF ALL the activities embraced in the program of the I. M. A. at the time of the consolidation in 1922, the educational department proved to be the most popular. The Flint Institute of Technology soon occupied the entire seventh floor of the Industrial Bank Building and rented other space for its shops and

laboratories. In May, 1926 the Institute moved into its own four-story building. The building was the gift of General Motors and the name of the Institute was changed to the General Motors Institute of Technology.

While the I. M. A. still cooperates with the Institute in an advisory capacity, it has been relieved, to a large extent, of its educational department and its attendant responsibilities. This enables the Association to concentrate on its recreational department. While other plans for expansion of the recreational department are still in the making the magnificent new Auditorium has become a reality.

All this has been done that the worker, who pays 15 cents per week into his Association, may have "Some Place to Go in Flint."



Lounge rooms and many other privileges usually offered only by the most exclusive clubs are enjoyed by members of Flint's Industrial Mutual Association

Law-Fixed Prices Won't Stay Fixed

(Continued from page 17)

when the law seems a rusty and antiquated mechanism. But trouble always gets there.

Consider the coffee berry.

Herman Sielcken of New York was one of the first to realize that the world could no longer face the breakfast table without its cup of coffee. No man knew more about coffee than Sielcken. A big, two-fisted, bull-voiced man. One of the best salesmen ever known. He had a marketing instinct. If he was ever beaten in his manipulations, the fact is not on record. Perhaps for a year or so, yes. In the late 'seventies he was travelling in Brazil for the hardware firm of Henry Crossman and Brothers, of New York.

"Let's fire him," said the firm when Sielcken had not been heard from for three years. They knew he was alive. Rumors kept coming in to that effect. But no letters, no orders. Nothing but rumors. As the firm sat at table, Sielcken walked into the room. So the story goes, anyhow. Maybe it is only a dramatization of the event, but it fits the man's character. He liked to work that way. To close each act with a smashing climax. He grinned at the officers of his firm.

Then he slapped a sheaf of contracts down on the boards:

"Three million dollars' worth. Everything from hammers to bridges. Every dollar good."

The members of the firm rose in an orderly way to shake his hand.

"One moment," he said. "If you get them, you get them as the firm of Crossman and Sielcken. Otherwise—"

A natural coffee monopoly

SIELCKEN knew Brazil as no other man did and knew that Brazil had what amounted to a natural monopoly of coffee. In its boundaries was raised 70 per cent of the world's coffee. Better than that, in the state of São Paulo alone, 70 per cent of Brazil's coffee was raised. Still better, it would be possible so to control transportation and banks and ports that the coffee could only be issued to the world as the monopolists decreed. The finger of Providence seemed to point to a corner. Sielcken followed the finger.

By 1900 so many new trees were in

bearing and so many new planters were sharing in the new prosperity that the government began to order restrictions. No more trees were to be planted. By 1906 prices had gone so low that the planter was not getting back his costs. Under the old law, a situation of this sort would cure itself. The uneconomical plantations would go out of the coffee



Natural camphor, a monopoly, is reducing its prices to survive competition from synthetics

business. Then the price would go up as the supply went down. Sielcken and his friends in Brazil had a better plan.

"We will take coffee out of the market," they said. "So we will make the consumer pay."

In their essence, the so-called valorization plans are all alike. The federal government of Brazil, in combination with one or several of the coffee-producing states, holds coffee off the market either by purchase or transportation:

The Brookings Institute notes that three valorization plans have collapsed, although it is true that each has sent up the price of coffee. Dr. Julius Klein, of the Department of Commerce, remarks that instead of the price of coffee having been stabilized by the valorizing, as was the promise, the price graph looks like a fever chart. It is a succession of Matterhorn Peaks and Death Valleys.

For the current valorizing the Coffee Defense Institute of São Paulo borrowed 97 million dollars in Europe after the drop of last October. Ninety-seven million dollars. With that sum the plan was to withdraw 16,500,000 bags from the market over a period of ten years. A

bag of coffee weighs 132 pounds. One hundred and thirty-two times sixteen and a half millions seems to equal 2,178,000,000 pounds.

It might look on the surface as though the subtraction of that amount from the world's breakfast table might increase the price of the cup, for the annual consumption of the world is, say, 23 million bags.

Didn't help farm prices

BUT one fact is to be remembered. Other planters have been getting some of this valorizing gravy. Even in Brazil, trees have been set out against the wishes of the government. There is no doubt that the valorizers have marked up coffee prices on the world market. There is some doubt whether the coffee farmers got much of the increase. It costs about six cents a pound to raise coffee on the plantation and that is about what the farmers have been getting, one year with another.

Coffee put down on the dock at New York costs about 22 cents. But the difference between six cents and 22 cents is accounted for by taxes—and more taxes—and bankers' commissions and interest charges and transportation and brokerages. Except that unvalorized coffee planters escaped a good part of that 16-cent spread between six cents and 22 cents. They had no Brazilian taxes to pay and no bankers' charges to meet.

Planters began to raise coffee in Colombia and Venezuela and Central America and the Dutch East Indies and Kenya and even in the Philippines. Herman Sielcken would weep if he could see today the manner in which a fine natural monopoly has been spoiled. For Brazil had the edge on all the rest of the world in her possession of a climate and soil and altitude that were all exactly right and labor that was pleasantly cheap. No other country could have competed with Brazil in the early days of the valorizing. No other country would have tried.

The only way in which the eye of the Brazilian coffee planter could have been blacked was the way that Sielcken found. If it was Sielcken.

For overproduction has raised hob with the coffee-planting business. The Brazilian supply alone—according to statistics gathered by the National City

Bank of New York—is for the third successive year in excess of the total world consumption. Even with a small crop next year the total Brazilian supply will probably be for the fourth consecutive year in excess of the total world consumption, and the production from other countries is increasing constantly.

But that isn't all of it.

A help to the speculators

ENTER the American housewife. Other housewives also enter, no doubt, bearing grievances, but we are chiefly interested in our own. The coffee-valorization plan worked especially well in 1925. It is true that it seems to have worked chiefly to the advantage of the speculators and not at all to the aid of the coffee farmer. Dr. Julius Klein observes upon a phenomenon noted in other commodity markets and never noted pleasantly by the farmer:

"After every one of the government purchases," notes Dr. Klein, "there is a steadily mounting curve of price; sale by the government, an immediate drop; the government comes in, up goes the price again."

The bankers and brokers and agents and tax collectors and speculators did especially well with coffee prices in 1925. It began to cost too much for many a household budget:

"I'll make it weaker," said the wife. "John will never know."

Whether John knew or not, that is what happened. One pound of coffee will make 40 cups for the better hotels. Thirty cups for the hoity-toity restaurants. The housewife can put in a little more water and reboil a bit and get 100 cups to the pound. In 1925 many a housewife did. American bankers refused to lend money on coffee, for its American consumption alone had fallen off 150 million pounds in the year. Hoover had noted the unwisdom of making loans to support the price of a commodity at a level unjust to the buyer.

Coffee prices wouldn't stay up

COFFEE had been selling at 40 to 60 cents. Even more at times and seasons. The slide began in January, 1925. As this is written coffee is selling in New York for 13½ cents. It has been stated that it costs 22 cents laid down on the New York dock. Something has gone wrong, somewhere. American bankers would not touch any part of the latest 97-million-dollar loan for the valorization plan.

Now the sugar planters are toying

with the same idea that Sielcken found in his coffee cup and that the British rubber planters discovered in Singapore. Not long ago sugar prices were at an all-time low. Other factors being considered, the price of sugar was at an incredibly low level. Not half the cost of production was being recovered by the Cuban planters. The reason, of course, is the reason the world is familiar with in every commodity history. Too much sugar is being produced.

"Let us reason together," the Cuban planters have said to the planters in Java.

In other years the Javanese planters turned deaf ears to this same suggestion. They were making money even at the low prices. They should, as the saying goes, worry about what happened in Cuba. But this year's price has dropped so low that the Javanese planters are reported as willing to co-operate.

"Let us cut short the sugar-planting area," they suggest. The same thought that gummed up the rubber situation. "We will call a world congress—"

No monopoly in sugar

NOTHING short of a world congress would get anywhere in the sugar business. Sugar is being produced in almost every country in the world. Where the cane will not grow the beet will. The reaction of Senator Smoot's Utah constituents to the suggestion that they plant fewer beets to save the situation for the British investors who made them pay an extra price for their automobile tires not so long ago may be faintly imagined. But this isn't all of it. Or even the worst of it.

The sugar men could not keep their fingers out of the economic steel trap. They tampered with the law of supply and demand. Or the statesmen back of them did. It is all the same in the end. And that law is the only totally immutable law in the whole world, perhaps. The reason why sugar prices are so low now and will, of course, continue to be low until consumption has caught up, seems very simple.

Various European countries subsidize the beet-sugar growers.

With cane sugar selling at half the cost of production the area planted in sugar beets has increased ten per cent in various European countries during the year. The beet sugarist believes that the subsidy will insure him a profit. At least, he thinks, it will reduce his losses. There seems to be no doubt that the subsidy given by certain European countries to their beet-sugar growers has at least

made cane-sugar competition impossible. Having had their plates dirtied by government interference of one sort, the sugar planters want to go a bit farther.

They want to call all the nations of the world into a congress and pass a law—

Potash in France and Germany

THE one really satisfactory governmental monopoly is in potash. Now there is a monopoly that is a monopoly. It cannot be beaten. There is no substitute for potash and it is a necessary substance to many of the farms of the world and the French and German beds are the largest and thickest and most economically worked and produce the best rock. The machine is unbeatable. To all intents and purposes they have all the potash in the world.

It is true that there are potash beds in our West which serve that section, and if the French and German prices were raised too high there are other small beds which would help us to bear the imposition.

But, broadly speaking, they have us by the short hair. The French and Germans seem disposed to content themselves with all they can get from the potash users of the world. They do not want to put the price so high that the world will determine to get along without potash. A heavenly situation for the French and Germans.

But the potash corner is the only monopoly that really works on a big scale. Chile had all the nitrates in the world for a time. She let the price get a bit too high. Nowadays nitrates may be manufactured to order in sufficient quantity to serve the world's needs and at a price that Chile is not able to touch. Chile has recast her methods and is preparing to compete for the business she needs.

Synthetic products compete

THE Japanese-Taiwan monopoly had absolute control of the sources of natural camphor. But the history of the last few years shows the monopoly cutting prices right along, to meet the figures offered by the producers of the synthetic article. Seven years ago the imports of German synthetic camphor amounted to only one-fourteenth of the crude and refined gum brought into the United States. Today it is more than two-thirds.

There is a bright side to the story of the attempt, by governmental action or by monopolies backed by governments, to control the price of the raw materials



An interesting one reel film, "The Battle Song of the Cities," depicting some phases of the smoke evil, will be sent free of charge to clubs, churches, schools or other organizations desiring instructive entertainment for their meetings. Please write our Philadelphia office.

MAN'S AID TO THE GERMS THAT DESTROY

IN an era when preventive medicine has made, and continues to make gigantic strides, it seems inconsistent that business and industry, supposedly so efficient, continue to create one of the most effective aids to germs.

We refer to smoke, the great broadcaster of dirt, absorber of the ultra-violet rays from the sun which are nature's most effective germicide.

Domestic chimneys account for almost half of the smoke polluting city air. That smoke can be banished quickly, easily and economically by using hard coal such as Famous Reading Anthracite, nature's finest fuel.

Many larger heating units can profitably use Reading hard coal. Others may eliminate smoke, and achieve economies, by installing equipment to burn other fuels more efficiently. In the hard coal area, a Reading combustion engineer is available to you for study of your needs.

His services are without charge and he is not permitted to recommend the use of Reading hard coal unless its use will *prove* its greater value. Write for his services.

THE PHILADELPHIA AND READING
COAL AND IRON COMPANY



THAT BETTER PENNSYLVANIA HARD COAL

the world needs. When coffee prices began to get too high thousands of people began to drink tea.

Beet sugar might not be on the market today if cane sugar had not become almost an extravagance.

Haiti might never have discovered she could raise sisal at a profit if the Mexican monopoly in hennequen had not stirred the farmers.

Germany might not be making camphor and our great plants would not

be turning out nitrates if those who controlled the sources had not been just a little too vigorous.

Monopolies can't last

THE placid Dutchmen of the East Indies might not be moving toward more and cheaper rubber if the normal processes of production and price had not been interfered with.

The experience of those who would

monopolize—and who did most successfully monopolize for a time—seems to show that there is no legislative short cut to a sound prosperity.

There are no panaceas for commercial ills. An overstuffed world must suffer its pangs until digestion cures them. When too much coffee or rubber or sugar is being produced the price must come down. It may be jacked up and propped up for a time, but it will always fall. It always has.

The Futility of Government Price-Fixing

By MARY G. LACY

Librarian, Bureau of Agricultural Economics

ILLUSTRATIONS BY HANS FOY

In the preceding article Herbert Corey tells of some of the recent failures of attempts to fix prices by law, and explains the reasons why they failed. Miss Lacy goes back into history, back to ancient China and Greece. She finds that price-fixing by law has had a consistent record. It has always failed.

MAN today has a richer heritage than he had yesterday. Tomorrow he will have a richer one than he has today. As day succeeds day, week succeeds week and year follows year, we build up a constantly growing fund of knowledge, an ever broader and richer experience.

Thus we have already a vast fund of experience to draw upon, a fund which is ready to our hand, which marks the safe and proper course for our activities as clearly as the beacons mark the night mail routes. Especially is this true in economic and social fields, for there we are trying the same experiments that have been tried for some 3,000 years past—and with results that are startlingly similar.

Take price-fixing as applied to agricultural commodities, for instance. From the earliest times men have recognized that the question of price is of primary importance to the whole of society. Producers want a price for what they grow that not only will pay the cost of production but will provide a margin for the necessities and pleasures of life. Consumers want prices kept low enough to enable them also to provide for themselves not only the necessities but some

of the good things of life. We are told by a Chinese scholar, Dr. Huan-Chang Chen, in his book, "The Economic Principles of Confucius and His School," that "according to the official system of

Chou (about 1122 B.C.) the superintendent of grain looked around the fields and determined the amount of grain to be collected or issued in accordance with the condition of the crop; ful-



The superintendent of grain looked around the fields and determined the amount of grain to be collected or issued

Mutuality and Americanism



Santa Clara Mission in 1849; founded in 1777, twenty-five years after the founding of mutual insurance.

THE mutual plan of insurance is as typically, as fundamentally American as Franklin, Jefferson and Marshall who were its founders.

So broad and sound was the original plan laid down by these men in 1752 that it has needed no essential change to adjust to the complex demands of the great modern business structure.

Today, after one hundred and seventy-eight years, policyholders are still the owners of mutual corporations. There are no stockholders. The rewards of successful operation therefore go to the policyholders in the form of dividend savings.

The leading industrial corporations of the country have for many years sought mutual coverage for

their casualty risks—workmen's compensation and general liability.

Increasing hundreds of thousands of car owners are finding mutual casualty insurance the safe, sound and sure way to reduce one important item of car overhead.

Any business man; any car owner will find interest and value in a brief booklet outlining the merits of mutual casualty insurance. Write for your copy today. There is, of course, no obligation of any kind involved. Address Mutual Casualty Insurance, Room 2201, 180 N. Michigan Ave., Chicago, Ill.



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Automobile (all forms)	Plate Glass
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When writing to NATIONAL ASSOCIATION OF MUTUAL CASUALTY COMPANIES please mention Nation's Business



Our own history affords many instances of the failure of fixed prices to remedy evils they were designed to cure

filling the deficit of their demand and adjusting their supply. . . ."

"When Li K'o became the minister of Wei he said that if the price of grain were too high, it would hurt the consumers and that if it were too low it would hurt the farmers. If the consumers were hurt the people would emigrate, and if the farmers were hurt, the state would be poor. The bad results of a high price and a low price are the same. Therefore a good statesman would keep the people from injury and give more encouragement to the farmers."

After describing the bad condition of the farmers he gives a law for equalizing the price of grain. The essence of it is that the government should control "the excess of supply in a good year to meet the demand in a bad year" and by so doing stabilize the price and make the people rich and the state strong. Dr. Chen observes that the reason this practice was not indefinitely continued was no fault of the law itself, but of its administration, for "it is not easy for officials to undertake commercial functions along with political duties."

Xenophon tells us that in Athens a knowledge of the grain business was considered one of the qualities of a statesman. This was probably because Attica needed a considerable importa-

tion of grain. It was brought to market in the Piraeus from Pontus, Thrace, Syria, Egypt, Lybia and Sicily. The *agoranomi* (market masters) superintended the sale of all other commodities but the state itself appointed a particular body of officers called the *sitophylaces* (grain inspectors) to oversee the grain business and to prevent the charging of prices higher than the state allowed.

Corners in the grain market

THEY did not succeed, however, in preventing it, and the grain dealers were bitterly hated. About 387 B. C., Lysias delivered an oration against the grain dealers which throws a light on the speculative practices of the grain dealers in Athens and the unsuccessful attempts of the harassed government to control them. From it we glean that, in spite of the rigorous laws, neither "corners" nor "combinations in restraint of trade" were uncommon at this time, nearly four centuries before the birth of Christ.

When Rome, at the close of the third century of the Christian era, faced a menacing condition of high prices, Diocletian, with characteristic vigor, issued his famous Edict in 301 A. D. In this he specified the maximum prices at

which nearly 800 different items could be sold, including food, clothing and practically all articles his subjects would need to buy.

He even fixed wages. Teachers, advocates, bricklayers, tailors, weavers, physicians, all were included. The law failed completely and had to be repealed. It was impotent to correct the abuses against which it was designed.

Lactantius, in 314 A. D., wrote of Diocletian and his Edict as follows:

"After the many oppressions which he put in practice had brought a general dearth upon the Empire, then he set himself to regulate the prices of all vendible things. There was also much blood shed upon very slight and trifling accounts; and the people brought provisions no more to markets, since they could not get a reasonable price for them; and this increased the dearth so much that at last after many had died by it, the law itself was laid aside."

Low prices, no food

SIXTY years later, the Emperor Julian made a similar attempt but with no greater success, as the price-fixing kept food from the market making necessary the abrogation of the laws by which the prices were fixed.

In Great Britain the "Assize of Bread," by which the justices of the peace periodically regulated the price of bread and beer, is so ancient that Thorold Rogers speaks of it as "undated." Indeed it is supposed to have originated in Anglo-Saxon times. Definite price-fixing by the British Government in 1199 and again in 1330 proved utterly futile and the laws were allowed to fall into disuse. They were not repealed, however, until 1815 in a document which showed how they had worked out and that their repeal was in the interest of the public welfare.

Probably the best known efforts of Great Britain in the line of price-fixing are those popularly known as the Corn Laws. The record of their operation shows conclusively the impotence of legislation to maintain the price of a commodity at a high point when the natural economic forces are opposed to it.

John Fiske ascribes the downfall of the City of Antwerp in 1585 to bungling price-fixing legislation. It was found that speculators were accumulating and hoarding provisions in anticipation of a season of high prices.

To prevent this the government fixed a low maximum price for all food and prescribed severe penalties for all who should attempt to take more than the

Now Let's DIG for SALES



IF your volume of sales is holding steady or is increasing, your business can weather some rough seas.

But if sales are slipping, the danger signal is flying!

The "on the surface" sales might have been picked, but there are others if you will dig for them. Organized methods and analysis of markets coupled with intelligent selection of prospective customers will enable you to dig for sales.

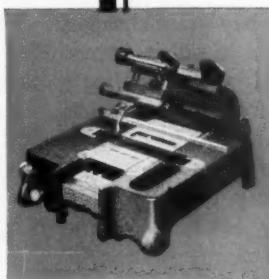
Addressograph methods of holding old customers and winning new customers will be valuable working tools for you, as they are for thousands of other progressive concerns.

Addressographs not only increase the effectiveness of ordinary direct mail advertising but provide opportunities and advantages for increasing results through carefully planned intensive selling methods. You will be placing your selling efforts in the spots you know are most fertile. You will be digging where the digging's good!

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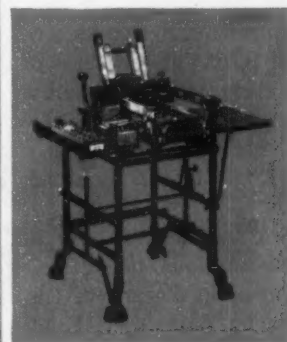
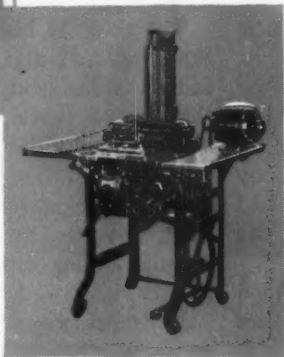
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In Athens, the state appointed inspectors to have oversight over the grain business

law permitted. This produced two results: the merchants ceased to bring food to the city because the low prices provided no incentive to risk having their ships sunk by the batteries of the Duke of Parma and, because of the low prices, there was no incentive to retrenchment by the citizens. Everybody feasted until the food gave out and famine came to the assistance of the besiegers.

India's famines in 1770 and 1866 show the injurious effect of fixing prices in a time of food scarcity. The story is well told by William W. Hunter in his "Annals of Rural Bengal." The rice crop of December, 1770, failed in Bengal. The spring and autumn harvests had, however, provided some rice which should have been spread over a period of nine months. Private enterprise, if left to itself, would have stored up the supply with a view to realizing a larger profit at a later period in the scarcity.

"Prices would in consequence have

which could best spare it and carried to those which most urgently needed it."

The colonial history of the United States affords many instances of the failure of fixed prices to remedy the evils they were designed to cure.

Weeden, Pelatiah, Webster and other writers record these and show that such legislation defeats its own end in several ways, the most important of which is the withholding of commodities from the market.

In France price-fixing was tried again and again, but failed because supplies were withheld. It was one of the characteristic features of the Reign of Terror.

During and immediately after the Revolutionary War in the United States there were various price-limitation conventions—Providence, December 25, 1776–January 3, 1777; Springfield, July 1777; New Haven, January 1778; Hartford, October 1779; and Philadelphia, January 1780.

The military authorities of the Con-

federacy also set maximum prices on many articles, including cotton, with slight results.

The price-fixing activities of the United States and other governments during the Great War are too recent history to need mention but all such war practices were discontinued as soon as peace came, which fact needs no comment.

High prices help

"A GOVERNMENT which, in a season of high prices, does anything to check speculation acts about as sagely as the skipper of a wrecked vessel who should refuse to put his crew upon half rations. Very different was the procedure of the government at the time of the famine of 1866. Far from trying to check speculation, as in 1770, the government did all in its power to stimulate it. . . . Respectable men in vast numbers went into the trade; for the government, by publishing weekly returns of the rates in every district, rendered the traffic both easy and safe. Every one knew where to buy grain cheapest and where to sell it dearest and food was accordingly bought from the districts

immediately risen compelling the population to reduce consumption from the very beginning of the dearth. The general stock would thus have been husbanded and the pressure equally spread over the whole nine months instead of being concentrated upon the last six. Instead of this the government in 1770 prohibited, under penalties, all speculation in rice.

There are many other instances of governmental price-fixing. At least 60 foreign countries have resorted to it in one form or another, but careful scrutiny fails to reveal a single outstanding success. These various attempts to limit prices directly seem to show that attempts to ease the burdens of the people in a time of high prices by artificially setting a limit to them do not relieve the people but only exchange one set of ills for another.

A New Mobility in Power

IN THE floating power plant students of public utility economics have a new development to whet their interest. Equipped with two 10,000-ton turbo generators, this converted cargo ship is to be used by the New England Public Service Company, which supplies power to many communities in Maine and New Hampshire, particularly along the seaboard.

Although the investment in the ship will amount to more than \$1,000,000, it is anticipated that it will be available for nearly twice as many hours of service in the course of a year as would any equivalent stationary power house. According to information provided by Arthur D. Little, Inc. of Cambridge, Mass., a large saving in the cost of power transmission is to be expected because the plant can be located at any convenient harbor along the coast nearest to the main load. Not only the cost of transmission lines, but the losses of power which frequently run as high as 20 per cent on long lines will be avoided.

The flexibility in the operation of this floating power station seems obvious enough to invite the vision of a fleet of similar ships for service on the coasts, lakes, and navigable rivers. If the force of example were needed to advocate practicability it is already at hand in the use of the U. S. S. Lexington to boost the power supply of the city of Tacoma. Perhaps it was only natural that a drought-ridden hydroelectric plant should find a helpful affinity in a waterborne power house.

The Big Executive Always Is a Supersalesman

By THOMAS L. MASSON

Author of "Why I Am a Spiritual Vagabond" and Other Books

ILLUSTRATIONS BY JACK IRWIN

THE day of ballyhoo salesmanship has passed. The reason lies in the bigness of things. There will doubtless always be salesmen who depend on "pep and personality" to force their wares on reluctant customers. But we are speeding into a new and higher level where deep principles of human conduct are being studied and more broadly understood.

The idea was expressed to me the other day by a Wall Street man who, in commenting upon my statement that the big executive is always the supersalesman, remarked:

"I have created a large business by refusing to sell my customers securities

when they were most eager to buy. If that needs explanation it amounts to this. On a progressive, permanent basis, I cannot afford to encourage a customer to buy something which in my judgment will not produce the best results. I must be one with him.

"My customers are the life of my business; to keep alive their faith in me they must always know that I will guard them against sudden whims. Only recently I refused to buy a certain line of bonds for a man who was so furious that he took away his account. Later he came back and apologized."

This idea of working for and guarding the customer has, of course, always



Poetic genius always expresses itself in material symbols

been a principle of ethics with the most substantial houses. But it is now coming to be universally recognized and practised. Another incident:

Hesitating about what car to buy, I went into the salesroom of one of the leading makes. When asked if his sales were keeping up the sales manager said: "No, we are behind last year."

He went on frankly to explain the facts. Another car had cut in on them. It was a good car but, in two instances, people who had bought the other car had turned them in and come back. He smiled and said that was a help anyway. No boasting. Just matter of fact truth.

Selling is a high science

NOW this was being one with the customer. Why? Because his faith in his car was based on substantial, permanent results. He knew that I knew this, because the real selling pull on his car had begun way back in the factory. To put it succinctly, the old method was based on the Lincolnian remark that you can fool some of the people all of the time and all the people some of the time. The new way is that, in the long run, you cannot afford to fool any of the people any of the time.

Selling is no longer a bluff; it is a science and art combined, raised to the highest level of service. Thus cars are twice as durable as they were, yet these longevity methods increase sales instead of diminishing them.

What has this to do with my statement that the big executive must be the supersalesman? Not everything, but a great deal.

First, the representative always re-



In 50 words the young salesman told this busy man his errand and, before he could frame a reply, the young man left the office

flects the management. The head must be one in spirit, not only with his actual, but with his prospective customers. So the representative, or under salesman, must be one with the head, and he must be one with his customers also. Team-work all around.

While honesty (being demonstrated on a large scale as the best policy) is naturally at the bottom of supersalesmanship, something more is required. Altogether too much has been made of the word "personality."

Before a man's personality becomes individualized in the public eye, or even with his customers, his achievement is what counts. He makes good before they know who he is. Afterwards his personality is linked up with his achievement and by a kind of illusion of the senses, it is assumed that personality did it. Henry Ford's car was, and probably is better visualized than Henry.

Most of the big (and personally

your theory. I am not a salesman, have had no selling experience, and while I do not in any way decry the value of the quality in business success, I am inclined to place a high estimate on organization or the ability to get men to work together."

Note the modesty of this reply and you can sense quite well why Mr. Wood gets his results; he is one with his working force. As everyone knows, he is at the head of one of the largest mail-order houses in the world, and, viewed from the narrow standpoint of merely selling goods, is quite right in his opinion. But I am writing now of that larger science of salesmanship which has only recently come into being.

Knowing when not to sell

PERHAPS an incident which happened to me will illustrate my thought. In the same week in which Mr. Wood's letter

but, if not, I can assure you there is no obligation on your part."

Is this not the attitude of my friend in Wall Street?

Perhaps it is just as well, at this stage, to find out what is not only a superb but an ordinary salesman. I don't think anyone can doubt that Walter P. Chrysler, Alfred P. Sloan, Jr., of General Motors, or the late Judge Elbert Gary represent the highest type of salesmanship.

Yet these men and many others who might easily be named, are practically unknown to the general public, except as names. In the last 15 years I have bought some 15 cars from various manufacturers, yet I cannot remember the names of any of the salesmen who sold them to me, except the last one, and I could not now pick out any one of them in a crowd.

Indeed, it may be set down as a modernistic business maxim that a salesman is successful in proportion as he conceals his personality. The product must sell itself.

Where then, you ask, does salesmanship come in at all, why has the word so recently been put in the dictionaries and why, if it is a science and an art combined, is it such a distinctive thing in itself?

I happen to know personally not only a number of the biggest executives in this country (Mr. Wood's modesty is an indication of the unobtrusive quality in all of them) but also a number of successful salesmen. I mean young men who do nothing but sell. One of them told the following story.

Getting to the prospect

FIRST, he said, the most difficult problem is to get to the prospective customer. Please note here that this also is the problem of the big business executive. That is where advertising comes in.

There was one man among my young friend's "prospects" who was notoriously difficult to approach. For a year he had tried to see him without any luck, appointment after appointment being either cancelled or repudiated. What did my young friend do? He rested in the conviction that the moment was bound to come when the spell would be broken (faith) and prepared for this moment.

Suddenly and unexpectedly it came. He stood before this busy man, and in less than 50 words told him his errand, and before the man could frame a reply he said, "Good bye sir, thank you," and was out of the office.

An hour later his phone rang and he



Have you any idea how much actual business is done on the golf course? Abolish the links and we would have a panic

unknown) executives in this country agree with me, so far as I have questioned them. But not all. R. E. Wood, president of Sears Roebuck, writes:

"I thank you for the compliment of classifying me among the big executives, but if there is any justification for the inclusion I fear my experience refutes

was received, one of his local representatives called on me to bid on installing a certain piece of machinery. After looking over the ground he said:

"We will gladly do this for you, but it is a little out of our line and I think you might easily do better elsewhere. We will take care of you if you wish it

The Organizing Hand



Fulfills your NEEDS

YOUR Needs are met because the organizing hand has long been preparing for your needs.

The variety of your needs grows rapidly. Your appreciation of higher quality rises steadily. Therefore, the organizing hand must forever keep on preparing.

You may want a sprinkler system of 50,000 heads quickly installed; or a dozen heavy lap joints able to withstand 1500 pounds of steam pressure; or you may ask merely for a single length of small pipe, cut and threaded to sketch.

Wherever you are the Grinnell organization must deliver promptly and please you completely. Therefore it must be nation-wide.

To meet your every need four great foundries and a dozen plants and branches to fabricate and distribute, have been built up and manned from years of practical experience. The more important of these are shown above.

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1. **Thermolier** the copper unit heater. A better and cheaper means of heating many types of industrial and commercial buildings.
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3. **Pipe Fabrication.** Pipe bends, welded headers and the Triple XXX line for super power work.
4. **Pipe Fittings** perfectly threaded, accurately machined and rigidly inspected.
5. **Pipe Hangers** featuring easy adjustability after the piping is up.
6. **Humidification Equipment.** Complete systems employing the unique automatic control, Amco; furnished through American Moistening Company, a subsidiary.
7. **Automatic Sprinkler Systems** the world's largest sprinkler manufacturer and contractor.

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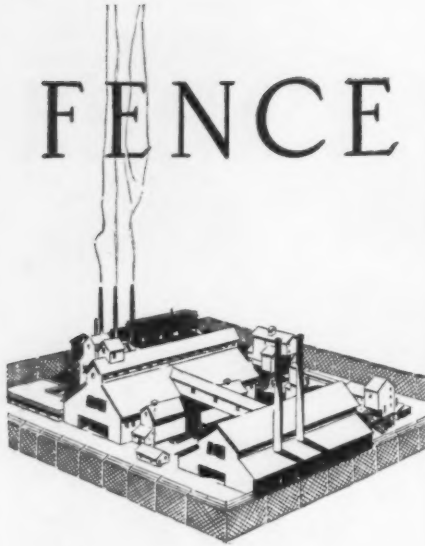
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A MANUFACTURING unit is complete when its boundaries are marked and protected by an unclimbable fence. Labor and materials are controlled and fire and theft hazards minimized. Everyone and everything must enter or leave the property through predetermined and guarded openings.

If the fence is a Wickwire Spencer Chain Link, the protection is permanent. Heavy-sectioned steel and wire hot dipped galvanized after fabrication do resist rust. The posts firmly imbedded in concrete piers stay where they are set. Our prices are consistent with the merit of our product.

WICKWIRE SPENCER STEEL CO.

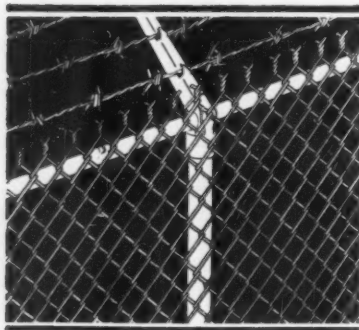
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This triangular name plate appears on all genuine Wickwire Spencer Fences



WICKWIRE SPENCER
Chain LINK fence

When writing please mention Nation's Business

was asked to come back. Then the man, who afterwards became one of his best customers and warm friends, said, "Young man, you are the first agent who ever got out before you got through."

This young man has undoubtedly what is called personality, that is, he presents a good appearance. But this personality consists, as he tells me, in a kind of bashfulness, in never obtruding himself.

This is not a sermon on salesmanship, of which too many have already been written. It is merely a sort of warning to scrap all our conventional ideas on the subject, and to get an entirely new point of view.

Business on the golf links

FOR instance, you know what an absorbing game golf is. Well then, have you any idea how much actual business in this country is done on the golf links? It would appeal to you. Only last week a financial friend of mine told me of a hundred-million-dollar merger that had come about through a foursome.

We can readily see how this should be so when we realize that nothing brings out a man's qualities of comradeship more than golf, and that the sort of confidence necessary as a foundation for buying and selling is always grown best in the soil of the casual, in one's off moments. Abolish the golf links and we would precipitate a panic.

The fact that, as in Mr. Wood's case, the best salesmen never know it, is also indicated by the letter of Mr. F. A.

Seiberling, of the Seiberling Rubber Works, who writes:

"I agree with your contention that a big executive must be a salesman first, but am not prepared to give you words from my own experience—not being sure that I am much of a salesman."

Fancy that! To put it in a nutshell, the new art of salesmanship is the applied principle of expansion.

Real salesmanship is not only expansion. It must of necessity be impersonal. If I have something to sell to you the time has gone by for me to think I can "put over" my product by obtruding my own personality. The quality of what I have to sell is the measure of my ultimate success. Furthermore, I am not selling to you alone, but to everybody. And in just this measure that I am not anxious to make a sale will I succeed. You may think that, according to this idea, the supersalesman overlooks the individual. On the contrary every individual is his supreme concern. No detail is unimportant. Nobody is going to kill off the individual. The best literature and art in the world, that of the Greeks, was produced by standardization. It is a grievous mistake to suppose that because men conform outwardly to uniformity they are losing their personalities.

To understand the present day and generation with its rapidly shifting mass scenes, we must constantly readjust our minds to these new pictures.

It is no longer necessary for a super-salesman, like the house to house peddler of old, to sell his goods personally, to go about with a cart and a bell.



The representative reflects the head and the head must be one in spirit with his customer

Traffic Delays Piled End-to-End

By RAYMOND S. TOMPKINS

ELECTRIC railway equipment salesmen were running about like volunteer firemen around the coffee wagon at a midnight barn-burning when I was in a certain street railway president's office recently. His Board of Directors had just authorized four million dollars for new equipment and service betterment. No such juicy plum had fallen from the street railway industry tree for many a moon, and the salesmen were dashing into town from far and wide. They had just so much time.

Time and money are lost

ONE of them arrived too late to get an order. I remember his sad story.

"Isn't anybody ever in a hurry to get anywhere in this town? Never saw such a place. Drove over, and thought I was half an hour to the good. On the outskirts of your city I encountered three grade crossings, one after another, and on each crossing was a freight train doing an old-fashioned minuet. Most of my extra half-hour was shot right there.

"Coming into town I wasted nearly 10 minutes honking and swearing before I learned a truck was parked across the street car tracks unloading a couple of tons of coal. Farther on a furniture van was holding up traffic. Finally, I turned off the car track streets and got onto a boulevard only to find after a couple of blocks that the cops had the street roped off while a Boy Scout's parade went by. I had to detour six blocks to get to a crossing point behind the tail of the parade. It seems to me when an honest business man observing all the laws of alertness in pursuit of business, can be gypped out of his chances by such foolishness as this, something is rotten."

There was one important weakness in this man's story. That was where he beat his breast and declared he had "observed all the laws of alertness in pursuit of business."

He had done no such thing. Ten years ago this might have been alertness enough, but not today. No business man is 100 per cent on the job today if he takes only passing notice of the possible cost in time or money or both of delays in street traffic congestion.

There are solemn scientific business

truths to be gleaned from the study of a coal truck dumping coal into a cellar window while parked athwart a heavy traffic stream. I do not know what all of these truths are, but among them is this one:

That while these earnest coal men are industriously filling with coal the cellar of a worthy burgher, a lot of other burghers equally worthy are having to let a lot of minutes go ticking by.

Now the installation of a ton of coal in a cellar is a noteworthy event, to be sure, but is it so noteworthy that any considerable number of other people should have to suspend all activity and stand with bowed heads during the ceremonies? Probably not. Yet this and kindred happenings are daily robbing the American business man of time enough to rebuild the world.

Perhaps the simplest scientific approach to the problem is the approach of the expert "end-to-ender." We might thus assume, for example, that all the simple traffic delays in the country spreading over a year would, if laid end to end, reach from today until next Christmas. But this is too general and tells us nothing.

A record of lost time

I AM able to give here some end-to-end facts. True, they concern only one element of the trouble, but they are indubitable facts and show how vast must be the uncharted country lying beyond. I have obtained the records of delays to street cars only, in my own city of more than 800,000 people, for 1929, and have classified them and laid them end to end. The delays recorded are of not less than five minutes duration. The crew of each car must report every delay of five minutes or more and give the cause of the delay. Their reports are entered on large sheets called "Daily Detention Sheets." Believe it or not, they show why you waited for a street car.

Picking out the coal truck or furniture van, or building supply truck delays on streets where cars run, and laying them end to end, we find that our home-town business man spent last year, 16,169 minutes, or 269½ hours, or 11¼ days sitting on street cars, waiting for truck drivers to unload their trucks.

Picking out the grade-crossing delays involving "John Smith, Car Rider," as we might call him, we find him held up 58,384 minutes more, or 973 hours, or 40 days, while trainloads of hogs crawled past to Chicago or shifting engines waltzed back and forth.

Collisions and parades

DISABLED vehicles and automobile collisions held our hero up 25,517 more minutes, or 425 hours, or nearly 18 days. So far, 69 days have been knocked off his business year. But he is not through yet. He had to wait longer while parades went by, while fires were being fought, while automobiles tried to park in spaces scarcely big enough to hold baby carriages, while people alighted from their friends' cars and stopped in the street for a few final words; while snow-loading wagons were loaded. This miscellaneous group of tie-ups totalled 154,942 minutes, or 2,582 hours, or 107½ days, which, added to the previously announced 69 days give us a total of 176 days lost to the street car riders of one American city because of commonplace traffic delays.

If the full national significance of this stupendous fact now begins to dawn on you, bear these matters in mind: that we have talked only about one city, and that conditions are virtually the same in every other city in the United States; that we have talked only about delays to street cars, while exactly the same delays are experienced by every motorist every day; that we have not considered the numbers of people on each delayed street car in this single city, and that each five minutes or more might properly be multiplied by the number of people on each car delayed.

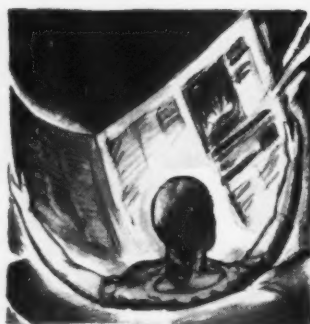
Consider all these factors. Even without considering them we find we lost 176 days out of 1929. Where do we stand? Beyond any question, the American Business Man has lost so much time in casual everyday traffic jams that, properly set up and charged against him, it would completely cancel every day in the entire business history of the United States, and he should now be just about planning to take the children down to the beach to see Columbus discovering America!

Selling Is Losing Its Importance

By GILMORE IDEN

Director of Public Relations,
American Institute of Steel Construction, Inc.

DECORATIONS BY IRIS JOHNSON



HIGH-PRESSURE salesmanship has been castigated by both consumer and producer. It is charged, on the one hand, with causing the high cost of commodities and, on the other, with taking the profits from business. Confronted with the sober fact that commodities are doubled and even tripled in cost from the time they leave the factory until they are put in the hands of consumers, many well-intentioned investigators have been seeking a reform.

It is probably due to this conception of the "weaknesses" of selling that we are witnessing today a number of innovations in marketing. An effort is made to replace the sample case with the brief case. Bankers and leading institutions of learning are making economic researches purporting to show the high cost of selling. The basic desire seems to be to substitute what is modernly known as merchandising for the older system of selling. Distribution is organized and planned in advance in the hope that the chances taken in the older system of selling may be eliminated.

Buying motives have been subjected to the analysis of the psychologist, and a fretwork of logic has been brought into the picture to impel purchases by consumers.

"Our salesmen are instructed not to sell," said the manager of an important department store. "They are instructed in the goods they are to handle so that they can serve the purchaser and told how they are to make out their reports on each sale. From our study of these reports we plan our purchases and out-

line the policies of the store."

For the past year or so this particular store has been analyzing the "price" motif of consumers. Various articles have been tagged for sale at varying prices for stipulated times and the sales results noted. Sometimes it was found that afternoon dresses must be priced at \$36 if the maximum number of sales were to result. A hat might not sell when priced at \$6 but be eagerly picked up when quoted at \$11.

Just learning proper prices

"WE ARE just scratching the surface of this problem of price," said this store executive. "Once we know the acceptable prices for commodities we can have them manufactured to fit that price."

The fact that such a method is being used to arrive at a better manufacturing cost shows to what ends the art of selling goods is directed. Old methods of selling are disappearing and new methods are taking their place because the new are based upon more intelligent and more rational premises.

Formerly a young man starting out to be a salesman was instructed in the fundamentals of the preapproach, the

"OUR salesmen are instructed not to sell," says the manager of an important department store. Not long ago that would have sounded like madness. What would salesmen do if they did not sell? Modern business, however, has found much for them to do, as Mr. Iden explains in this article on modern merchandising

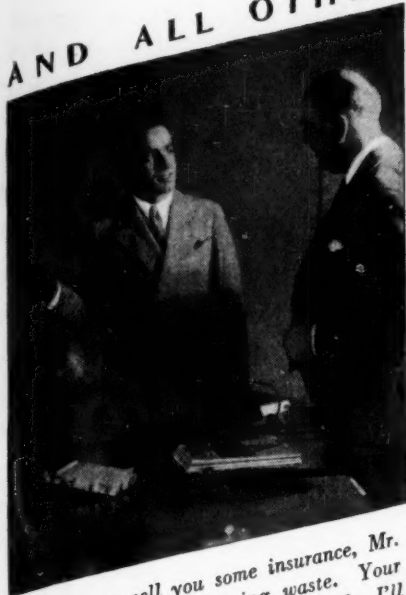
approach, the argument and the appeal to action. Modern merchandise methods change much of this. The consumer is impelled to purchase long before he is brought in contact with the salesman. It is but reasonable to expect, therefore, that the art of word-of-mouth selling should apparently fade from the picture entirely or its practice be altered.

Today we study the consumers' desires, measure the number of consumer dollars, and then deliberately try to formulate a plan which will impel consumers to come into the store and part with their money willingly. Advertising, we say glibly, is hastening this change, but advertising is only a small part of it. The merchandise plan and the coordinating of all the agencies concerned in distributing the article from the factory to the consumer are carefully arranged and organized.

If it is a pair of shoes, a collar, a handkerchief, a scarf, a bottle of perfume or a hair comb, doubtless advertising and a trade name will play an important part in the program. But it is merely a part, for even more impor-

AND ALL OTHER

BUSINESS MEN



4. "I want to sell you some insurance, Mr. Jones — against accounting waste. Your office is keeping 7 hand-made records. I'll prove you can cut those 7 processes to 2!"



5. "This is 'Exhibit A.' Your 7 hand-made records. Broker's Invoice. Expiration Record. Location Record. Ledger. 'Line Record.' Broker's Statement. And Accounts Current."



6. "Now — 'Exhibit B.' With this Remington Accounting Machine you can make in one operation your Invoice, Expiration Tickler, Location Record, and 'Line Record.'"



10. "And think of the impression it will make on Brokers, if they can call up and get instant information from a Location Record or 'Line Record' that's always posted."



11. "Finally, you will have automatic mechanical PROOF of the accuracy of every figure-fact in your records. That will cut down complaints and adjustments to almost nil."



12. Jones broke into a broad grin. "Well, I guess you've called our number. Why, that method is TAILOR-MADE for our needs! I wish I had known about it before."

MORAL:

You no longer have to re-make your business to fit an accounting machine. You can now get a machine precisely fitted to your business! Remington Rand offers you 72 types. Phone for a Remington Rand man.

He will tell you impartially what machines, if any, will cut your office costs and give you better figure control. Remington Rand Business Service Inc., Buffalo, N. Y. Sales offices in all principal cities.

Remington Rand

ACCOUNTING MACHINES

RAND office please mention Nation's Business

..... DALTON
..... REMINGTON
..... POWERS

tant in many instances are the retail outlets through which the article is to reach the consumer. Maybe it will be a chain store, the independent dry goods merchant, the department store, the specialty shop, one or the other of the numerous specific classifications of retail outlets and maybe more than one. The merchandising analyst must decide and upon his decision will depend the success of the marketing plans.

Scientific sales management

A SALES manager is frequently assisted by a market research specialist, an advertising specialist, a traffic director, and probably a psychologist. To be successfully marketed, a commodity must go into the right territories, through the most efficient hands and in the most direct way to the ultimate consumer.

This system of planned marketing naturally discards many of the theories of the past and most all of the old impedimenta of personal selling.

I sat in on a consultation which took up the problem of marketing a new grass seed. All the marketing counsellors had assembled their data and there were imposing charts, maps and mathematical data. These showed the company exactly what territory it could sell at a profit, what villages and towns (by name) should not be solicited and in what cities personal solicitation could be used without loss of profit.

Today that grass seed is being marketed successfully. The interesting point is that the market plan was devised in advance. Solicitors were not sent out with sample cases and indefinite instructions. As a matter of fact only a few solicitors were sent out and they were told specifically what towns to cover, what merchants to call on and exactly how much to sell those merchants.

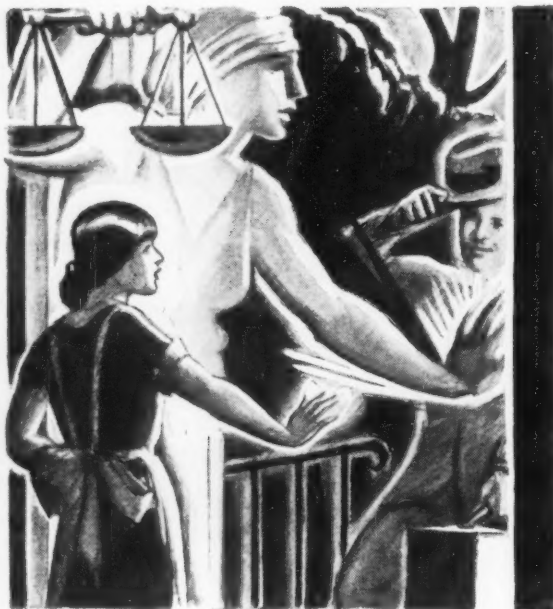
Traveling salesmen once took pride in selling "whoppers." That is, they would induce a merchant to increase his order to a carload where a case would have been adequate. They never considered the merchant's needs but merely took pride in their ability to send large orders back to their firm.

The day of the "whopper" sales is past and the chain store had much to do with its passing. The chain brought under one management a string of retail outlets and centralized the buying. This new form of organization readily dis-

covered that a retail store can serve its customers more economically and more satisfactorily if it is never overstocked. The chain substituted merchandising for selling, and that is its strongest appeal today.

Overselling is one of the great evils in merchandising. The Department of Commerce claims that the greatest waste in industry is found in the distribution of goods. More waste is found in the failure of retail outlets than in all branches of manufacture. Bankruptcy is an economic waste, and the bankruptcy of retailers is due in most cases to their inability to dispose of goods they have purchased.

The chain store has discovered many important things about the cost of selling and is carefully evaluating that cost. Where the selling effort is too great for the rewards the line is eliminated. Instead of endeavoring to keep customers in a store, the management endeavors to satisfy their wants quickly and dismiss



The salesman who jams his foot in the door to talk to a housewife is costing her 55 cents an hour

them. For every customer sent out of the store, room will be made for a new one to come in.

It is the sales clerk's duty to dispose of a customer expeditiously and it is the sales manager's duty to get new ones to come in. That is done through advertising, by building up a reputation for the store or catering to specific desires with specific qualities of merchandise.

The Bureau of the Census reports show that the number of commercial travelers per capita of total population in the United States increased constant-

ly until 1910. Since then the relative number has constantly declined. Those figures prove conclusively that the job of selling is being accomplished with a relatively smaller staff of traveling salesmen. And it should not be overlooked that the volume of all goods produced in the United States has increased about 50 per cent since 1900, and about 25 per cent since 1910.

Why has personal selling apparently declined in importance? Or really has it declined? Certainly some factors in the merchandise program of American business today have greatly intensified all activities. The accessories to selling have really become so important as to make personal selling of seeming less importance.

While we may desire to eliminate the wastefulness of high pressure salesmanship, this does not necessarily imply any particular intention to reduce the costs of selling. As a matter of fact the costs of selling have mounted much more rapidly than have the savings through the withdrawal of salesmen from the road. In a merchandising sense, saving does not mean the same thing as hoarding. Hoarding is contrary to modern economic thought which teaches that money is useful only when gainfully occupied. Merchandising is an active endeavor to keep money gainfully occupied.

Buying and less selling

THE bulldozing tactics of salesmen have been replaced by the persuasive tactics of publicity and advertising. Consequently we witness today an increased volume of buying by voluntary action of consumers. There has been a recognized tendency toward a change in the public attitude to salesmanship and a resistance to unwanted sales appeals.

The growth of chain stores, the increasing use of automatic vending machines, the tremendous development of mail-order business, all indicate this changed attitude. These agencies depend for success largely on the fact that the public is willing to buy but is not so willing as formerly to be sold. Standardization of commodities and the simplification of specifications, the spread of mechanical and technical knowledge, make it even less necessary to have a salesman explain the merits of an article. The customer already knows

Thanks to Regional Conditions —To Strategic Location— KANSAS CITY IS PROSPERING

WHERE are the brightest spots on today's business map? *Kansas City is one.* Year after year, regardless of general conditions, businesses located in Kansas City expand and grow in response to the demand of 19 million people for service and economical delivery. In *subnormal* times, Kansas City branch plants frequently show profits when houses in other cities are struggling to break even.

¶ If you do not know the Kansas City of 1930, you owe it to yourself and your business to get acquainted. Construction is at its height. Industry after industry shows sales records equalling or surpassing the first six months of 1929. *More of the nation's capital is being invested in Kansas City construction and industry today than ever before.* And Kansas City has no unemployment problem.

¶ This situation at a time when other sections are hesitating foretells continued and increasing prosperity for manufacturing organizations able to serve Kansas City's 19-million-territory *from Kansas City.*

CONSTRUCTION

Never in any period in its history has Kansas City witnessed such construction activity in its downtown area.

¶ Practically every new building was financed with capital from other sections by investors who investigated and determined on Kansas City as one of the nation's soundest cities, *not only today but for many years to come.*



NEW INDUSTRIES NEEDED

One by one, industries are moving to their principal markets. ¶ Comparative freight rates in all classifications prove that commodities can be delivered more economically to one-seventh of the nation's population from Kansas City. ¶ New industries are now needed in Kansas City to round out its manufacturing production and provide locally made commodities that now must be purchased elsewhere.

NEW INDUSTRIES

Steadily, new industries are coming to Kansas City to cultivate this 19-million-market more intensively, more economically. Industries bound to other centers for generations are finding Kansas City profitably receptive to their products.

¶ Industry here finds every production advantage, *plus this market of 19 million people reached more economically from Kansas City than from any other metropolis.*



LET'S LOOK AT THE FACTS

If you are a sound, going concern, this organization will place *the facts* before you. In the strictest confidence, competent engineers will give you an understandable survey of every phase of the production and marketing of your line in Kansas City.

¶ If you wish a confidential survey, write us on your business letterhead as indication of bona fide interest, without obligation, of course.

INDUSTRIAL COMMITTEE OF THE CHAMBER OF COMMERCE

KANSAS CITY

MISSOURI



INDUSTRIAL COMMITTEE,
CHAMBER OF COMMERCE,
KANSAS CITY, MISSOURI.

Please send me the facts about Kansas City. I am interested in the _____ industry.

Name _____

Firm _____

Address _____

City _____

State _____

(I saw your advertisement in Nation's Business)

THE NEW NEWMAN



AND THE NEW PATROL



They're Both DETEX

In the new models of these leaders of watchclocks, Detex now offers:

New sturdiness of construction to resist shocks and jolts.

New simplicity of design, to give greater dependability, greater freedom from the need of repairs.

New protection from the dust and dirt that wears out the movement.

New standardization of parts, assuring prompt repair service, when needed, at minimum cost.

New safeguards that defy the most ingenious attempts at tampering.

Here are values beyond anything ever offered before. Now is a good time to modernize.

Send for full information

DETEX WATCHCLOCK CORPORATION

4153 Ravenswood Avenue, Chicago, Ill.
29 Beach St., Boston 80 Varick St., N. Y.
Room 800, 116 Marietta St., Atlanta
Manufacturing

NEWMAN • ALERT • PATROL
ECO WATCHMAN'S CLOCKS

DETEX

Approved by
Underwriters'
Laboratories,
Inc., and Factory
Mutuals
Laboratory



Representa-
tives in
all large cities
in America
and abroad

When writing please mention Nation's Business

them. These are all portents of a new order of merchandising.

Similar changes are taking place in wholesale or primary selling. Just as the public is being taught to buy consumer goods by a different method, so manufacturers are learning to buy producer goods more efficiently. The old type of commercial traveler does not fit into this picture as he formerly did. Producers have purchasing agents and these gentlemen have taught the sellers that service is more important than "whoop-pee."

When producer goods are wanted, the seller will more likely send around an engineer to advise the prospective purchaser what is best for his needs. Consequently we find today that the more important sales of producer goods and even sales at wholesale are made by the vice president or the sales manager rather than by a commercial traveler. The automobile manufacturer tells the steel mill exactly what he wants to buy. The steel mill does not sell. The builder of a skyscraper designs his building and instructs the steel constructor exactly what material he will need for it. Producer goods are bought, not sold, and those who have producer goods to market turn their attention to service rather than to selling.

One satisfied customer is better than a trial carload sale. Satisfied customers are inclined to come back of their own accord and repeat the order. That is axiomatic, yet producers have been slow to discover the truth of it. To reduce the cost of selling is the modern problem of industry and the surest way to reduce that cost is to offer for sale an article that people want, need and can use with profit.

Market problems

AN ENGINEER may figure out the utility of a product, but it requires a psychologist to understand human desires. Here we have an explanation of why the new profession of market engineering has come into being. Salesmen of vision have long seen the necessity of analyzing and weighing market problems. They have

consequently instituted the profession of sales counselling and have endeavored to set up sales programs which fit better the needs of a particular company.

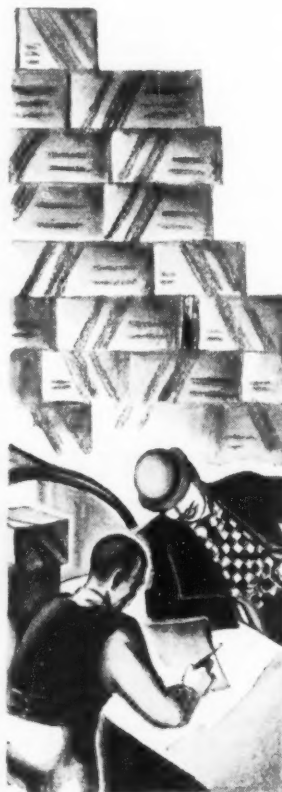
An analysis of any manufacturer's sales problem will show (1) whether or not he has an improper cost system, (2) if troubles originate with the product itself as when it appears to be improperly made for the market in which it is sold, or (3) the trouble originates in merchandising control, in packing, shipping, lack of inventory control, bad deliveries. Most bankruptcies originate from one or the other of these causes, and if the analysis is properly made the trouble will be quickly disclosed.

Good plans are essential

MANY wise sales managers today are fully competent to cope with any or all of these problems, but even those without the shrewdness or the time to make the necessary analysis can easily call for the assistance of a counsellor who can do the job. Marketing plan is all important to any scheme of successful selling. That marketing plan is unscientific if it includes motions which are more expensive than the financial returns therefrom. A \$50 sale consuming 25 dollars' worth of time and a \$10 bribe is too expensive for the seller. Commercial bribery therefore is being discarded along with the other forms of "whoop-pee."

It is not only uneconomic to waste the dollars and the time of a seller but it is equally uneconomic to cause similar wastes to the purchaser. Even the housewife's time has a dollar value. A recent analysis showed this time to be worth 55 cents per hour. If a salesman jams his foot in her front door and persists in talking an unwilling sale to her he is not only wasting his own time and the time of his employer but is responsible for a loss of 55 cents an hour to the housewife.

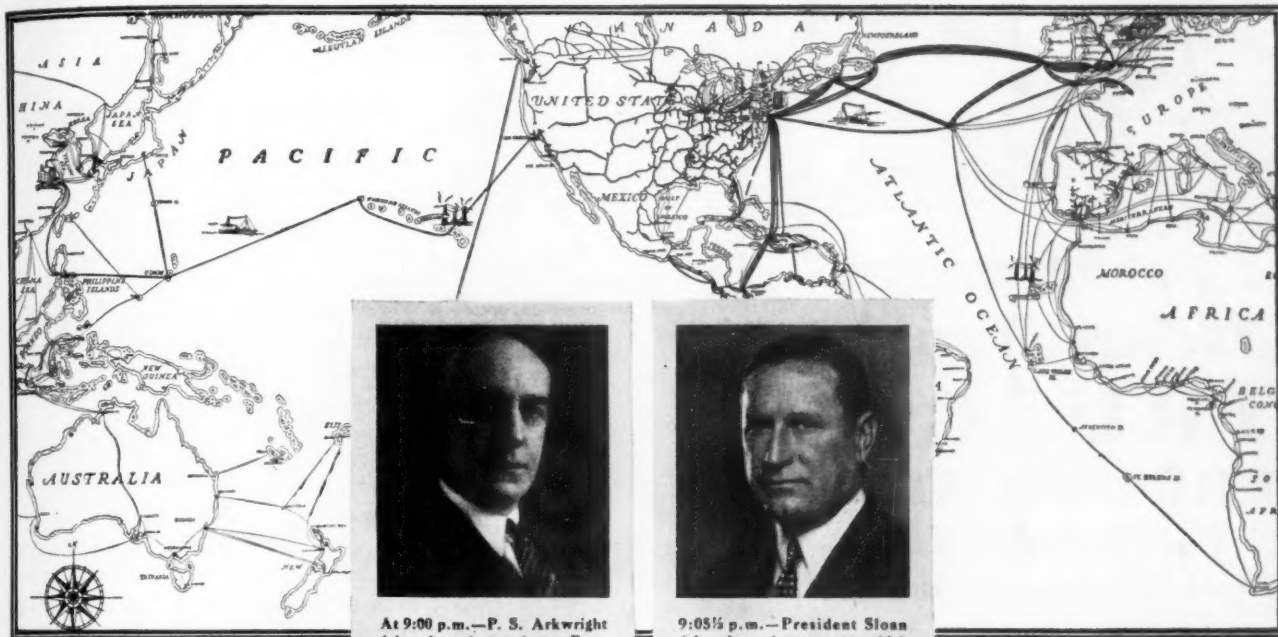
That we have permitted such wastes to continue even to a slight degree is a serious indictment of business. We know these wasteful methods of selling con-



Salesmen once took pride in selling whopper orders

AT NELA CONVENTION
CHAIRMAN ARKWRIGHT GREET'S PRESIDENT SLOAN WITH

Message that races round world in 5½ minutes



At 9:00 p.m.—P. S. Arkwright (above) sends greeting to President Sloan who is a few feet away—via Shanghai and London!

9:05½ p.m.—President Sloan (above) receives message which circles the earth in just five minutes and thirty-two seconds.

Postal Telegraph is the only American telegraph company offering a world-wide service of coordinated record communications.

Cable, wire, radio facilities of International System demonstrate advantages of coördinated communications

A MAP OF THE WORLD hung before the ten thousand delegates and guests at the recent convention of the National Electric Light Association in the Civic Auditorium, San Francisco. On it was traced the vast network of cable, landlines and radio which make up the International System.

Across the map, electric lights blinked on and off, showing the speedy progress of a message racing around the world.

It was a greeting from P. S. Arkwright, Chairman of the Public Policy Committee, to President Matthew S. Sloan of the N E L A, who sat in the Civic Auditorium with him. At 9:00 p.m. (P. C. T.) Mr. Arkwright had handed his message to an operator at a Postal typing telegraph machine.

Click, clickety, click! The message flashed under the depths of the Pacific through Commercial Pacific Cables . . . flowed uninterrupted through Honolulu, Midway Island, Guam and Manila . . . and completed the first leg

of its journey at Shanghai, China—more than 9,000 miles away. Here it was whisked through pneumatic tubes to another operating room . . . taken up by the Great Northern Telegraph Company and flashed over the vast stretches of Siberia. Passing through Irkutsk, skirting the shore of Lake Baikal . . . on through Ekaterinburg, Stalingrad and then to London, it had spanned another 9,000 miles.

At London, pneumatic tubes passed the message to the offices of Commercial Cables, which rushed it under the Atlantic to New York City. Here Postal Telegraph took charge and sped it back to the very typing telegraph machine from which it had started in the Civic Auditorium in San Francisco.

When Mr. Sloan received the message neatly pasted up on a telegraph blank, a stop watch showed 9:05½ p. m.—it had girdled the globe in just five minutes, thirty-two seconds.

Other messages were dispatched to distant cities and ships at sea—via wire, cable and radio. Replies were received in record time.

EVERY Postal Telegraph office is a local nerve center of the International System. Reaching to 70,000 points in the United States, 8,000 in Canada . . . Postal Telegraph, through its worldwide affiliations, can also put you in swift contact with world-wide markets.

Europe, Asia and the Orient over Commercial Cables . . . South and Central America and the West Indies by All America Cables. And Mackay Radio provides a lightning link between ship and shore. On your next telegram, cablegram, radiogram . . . call Postal Telegraph. You can always be sure of swift, reliable, accurate service.

Postal Telegraph



Commercial
Cables

All America
Cables

Mackay
Radio



... Minutes Mean Profits TRUSCON PRESSED STEEL

Cuts Needless Labor From Manufacturing Costs

HERE, in one of the world's foremost, diversified pressed steel plants, presses—both gigantic and small—are turning out products in minutes that formerly took hours of expensive labor to produce.

Let Truscon Pressed Steel Redesign Engineers do for you what they have for others. Let them study your catalogues and parts list with a view of redesigning your products in pressed steel. They may find that impressive savings in labor, weight, material costs, machining and assembling can be achieved.

Send us your catalogues and parts list for examination. This unique Truscon Service is yours without obligation.

TRUSCON STEEL COMPANY
Pressed Steel Division
6102 Truscon Ave., Cleveland, Ohio



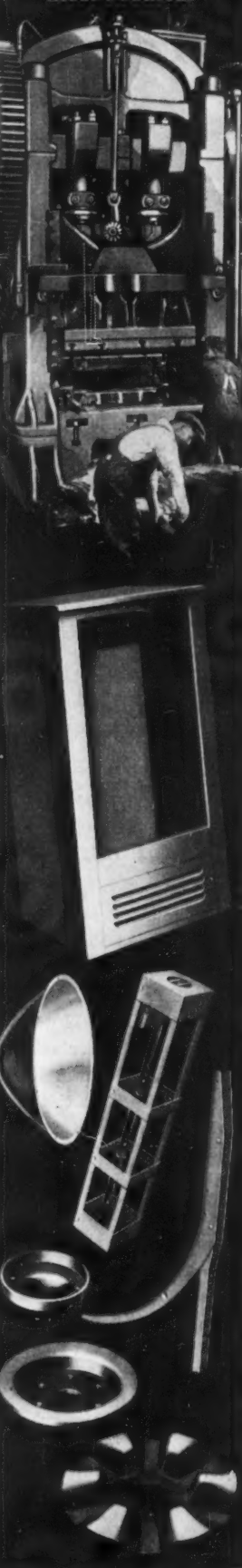
*Get the facts of Saving
with Truscon Pressed
Steel. This brochure
is yours for the
asking.*



SAVE WITH PRESSED STEEL

When writing to TRUSCON STEEL COMPANY please mention Nation's Business

Truscon facilities are sufficiently diversified to handle any Pressed Steel Problem



stitute the most serious loss in the business world. They account for more loss than is annually amassed in both the fields of financing and of producing. Manufacturing wastes are slight by comparison. The wastes of consumers constitute a mere bagatelle alongside it. So the more enlightened managements are discarding the old methods and reaping great success. They are leading their competitors in scientific management, in service and in profits to themselves.

Advertising to help salesmen

IF THERE is a surplus in the company treasury it should be plowed back into developing consumer acceptance. Once consumers are educated to accept an article its sale will naturally follow. Therefore the real problem of selling is not in today's personal solicitation but in yesterday's propaganda. Business is discovering that it can, with profit, spend in advertising every dollar saved in salaries to salesmen. That depends, naturally, on the quality of the advertising and the essentialness of the salesmen. We are not going to do entirely without the latter, and neither can we hope to depend entirely on the former. But we have discovered that a radical change from the past can prove profitable.

We may as well ask ourselves frankly, what do these trends portend? Will they reduce the cost of distribution? Will they make any cheaper the removal of goods from the door of the manufacturer to the shelf of the housewife? We have no answer to those questions.

Selling under other names

CERTAINLY a change is coming. That change has not reduced the necessity of selling, merely changed its nomenclature. As a matter of fact it is possible that we are building up a much more competitive system of merchandising that will require more brains and more energy than anything we have witnessed in the past.

Is it not possible that high-pressure merchandising is replacing high-pressure salesmanship?

We need not quarrel over high costs, if we can stop the wastes. If the newer profession of merchandising will reduce the number of bankrupt sales, the volume of shop-worn goods, the gluts of overstock, it will at least have kept money more gainfully occupied. And that should add materially not alone to the profits of business but to greater industrial happiness.

The Case for Simplified Selling

A reader states some exceptions to "Two Principles That Sell Hardware"

AUTHORITIES disagree rather violently, it seems, over the fundamental principles of distribution. For instance, a highly intelligent executive I know is much stirred up over the article, "Two Principles That Sell Hardware," in *NATION'S BUSINESS* for July. My friend, manager of a large and successful wholesale corporation, said:

"By terrific effort, over a six year period, I've been educating my retailer patrons to eliminate slow-moving items of stock and discontinue customer coddling. I've thus helped the average dealer on my books to reduce his overhead materially. Incidentally, these dealers, by simplifying their buying, have helped me to reduce my firm's overhead, too. This saving we have passed on to the public. It is reflected in the dealers' lower prices.

Radical distribution plan

"AND now comes this story containing a business philosophy calculated to knock my pretty program of simplification into a cocked hat. Almost half the Weaver stock was said to consist of convenience goods, producing only 10 per cent of the total volume. The store was said to deliver at any hour of the night, or on holidays and Sundays.

"If that is the way to lower costs of distribution to keep pace with lowering costs of production so that wholesaler and retailer won't be the laggards in the march of progress, then my head has gone wrong and I'm ready to be locked up in an asylum."

As an ex-retailer and present student of distribution, I have a position of detachment that helps me to sympathize with both parties. I don't blame the editor for liking that article on the Weaver store. It smacked of the good old days, the era when merchants were less impersonal and exercised a lot of human feeling. If I knew a store of the Weaver type within my reach I'd be tempted to trade there.

Nevertheless, as a matter of practical business philosophy, for the country as a whole, I'm on the other side of the merchandising fence. So perhaps we can have the case for the simplifier, and un-

derstand the situation all the better for having the Weaver story as a sort of background for contrast.

About 43 years ago my folks came to the community where I still live. The leading store in our town was much like the store described in the Weaver story. The manager did his utmost to understand his customers' needs and financial circumstances; he served them with individual consideration. The store prospered and made excellent profits.

When the original manager died after 30 years of service the man who replaced him continued in the old service tradition. But to our astonishment the old store began to weaken. It declined slowly at first; then with rushing speed. Finally it was forced to close out. The community was stunned. It was as though a familiar mountain had been removed.

Since then I have talked with many old patrons of that store, and with both customers and proprietors of other stores that give, or did until recently, extremely liberal service. This research has brought out a remarkable agreement of opinion as to why the old system is losing out.

Here is a typical comment of a modern housewife:

Trade on a personal basis

"WE always liked the accommodating manager of the old store. In fact, I guess he saved my father from bankruptcy and us children from going hungry more times than once. He was certainly liberal, letting the bill run, and making special deliveries and so on.

"But such liberal service cost him a lot of money. We realized that when a cash-and-carry store came to town. So when the old manager passed on, and we were sort of relieved from a feeling of moral obligation, in a personal sense, we switched our patronage. The children in my father's family, now all married and heads of families of their own, trade in the new way. We deal where our money goes farthest."

I find this customer point of view agrees with the experiences of many managers of the old stores. For example, one said:

"When cash stores opened up here many old customers began contrasting prices. It was little use to tell them that our service was worth the extra cost. True, they liked our liberal service; but their appreciation was not strong enough to hold them."

That leads us up to a central idea of the whole competitive battle in distribution. All lines of service have their merits; but which line of merits does the customer find most pleasing? The economist treats of this in terms of a principle, "consumer's surplus": the advantage the buyer really feels. In vain do we break our hearts to serve our patrons if what a competitor offers is better appreciated.

An age of self-service

ALL around me today I see that the things most appreciated are the helps to material possessions. This era might be called the age of self-service. The public serves itself at the grocery to save money to pay installments on the things with which people serve themselves with transportation, entertainment, and creature comforts.

But along with it all I see the service of the old day coming back in a new style. The housewife is growing tired of carrying a market basket. That job interferes with many other things she'd rather do—which is to say that this form of self-service is becoming less appreciated. Hence even chains are talking of giving both credit and delivery.

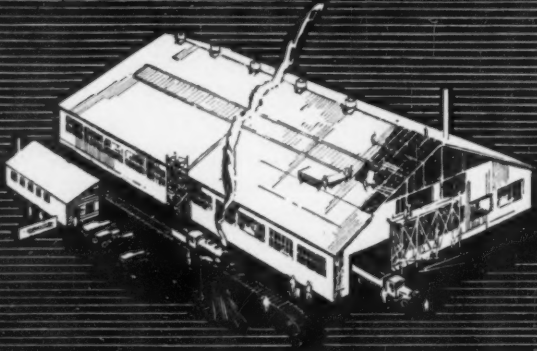
Service in the new style, however, leans toward simplicity: the limitation of stocks to fast moving lines, the scheduled delivery, the payment of account strictly by the tenth. This new style of service is based on a new business philosophy—simplification, not that the customer may have less for his money but that he may have more.

For if the given business halves the cost of each service, the customer can buy service of twice as many kinds.

The Weaver story helped to remind us that the old style had its human appeal. But today even banks are getting away from customer coddling. No longer, at my bank, does the chronic overdrawer get by on the strength of

ROBERTSON STRIKES AT COSTS

**IF THERE EVER
WAS A TIME
TO BUILD**



.....THIS IS IT!

Conditions are more favorable for the construction of mill and factory buildings today than at any other time in years. » » » Credit is easier » » » Millions of dollars once tied up in the securities market are out of it and begging for a job of constructive work at reasonable wages » » » Cutting of interest rates in the money centers is driving colossal sums of money "back home" to other parts of the country, idle and hungry for stable investment » » » Prices of scores of commodities used in buildings are down to or near pre-war prices. » » » Wages, as such, are unchanged, but every dollar of wage today is "buying" infinitely more work than it did for years » » » You have the pick of the finest possible workman and they are doing their best and fastest work, for obvious reasons.

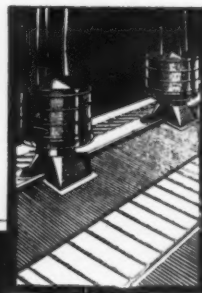
What are you doing about it? If you need new buildings at your plants . . . now is the time. If you have had a building program in the back of your mind . . . today is the day. If you need alterations, additions, or an entirely new plant . . . you can get more building per dollar today than in a decade. Your foresight and prompt action now may be reflected in lower costs for your products for years to come.

The Robertson Company has a fast, efficient, widely-experienced engineering staff that can help you get your work under way in time to take advantage of these conditions. Write today.

H. H. ROBERTSON COMPANY * * PITTSBURGH, PA.

ROBERTSON

WORLD  WIDE
BUILDING SERVICE



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some other patron's average balance. "The significant service of today," says the business executive I have previously quoted, "treats all patrons as nearly alike as possible. For the practice of making the patron who demands the least service pay part of the cost of serving the patron who demands the most, is in principle obviously unfair. That is why simplified service will be more and more appreciated."

JOHN D. BLAINE

Passenger Planes Fly 90,000 Miles a Day

TOO LONG have pessimists had their way in minimizing the progress of aviation. Whatever the financial situation of some elements of the industry, the strength and importance of the business of flying do not lack for decisive confirmation. For one thing, the American Air Transport Association reports that passenger-carrying airplanes are daily flying 91,361 miles in the United States, and are serving 226 communities on 263 regular schedules.

A year ago the daily total was 61,025 miles, and only 151 communities were listed in the time tables.

Growth of eighteen companies

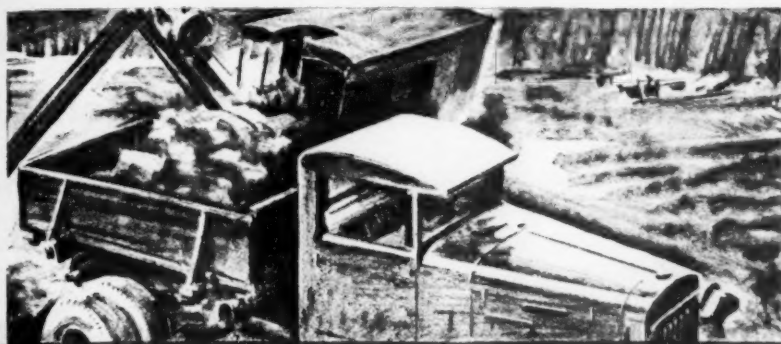
THIRTY-NINE companies are included in the report as regular operators, an increase of eighteen in a year. The passenger airways system has grown from approximately 25,000 miles to 32,803 miles.

American owned and operated mail and passenger planes are flying over 12,476 miles of Mexican, West Indian, Central and South American airways.

Nineteen countries are connected to the United States by air, and planes are flying more than 26,000 miles in those foreign services.

More and more, air travel is becoming a commonplace, as the figures of the Transport Association eloquently suggest.

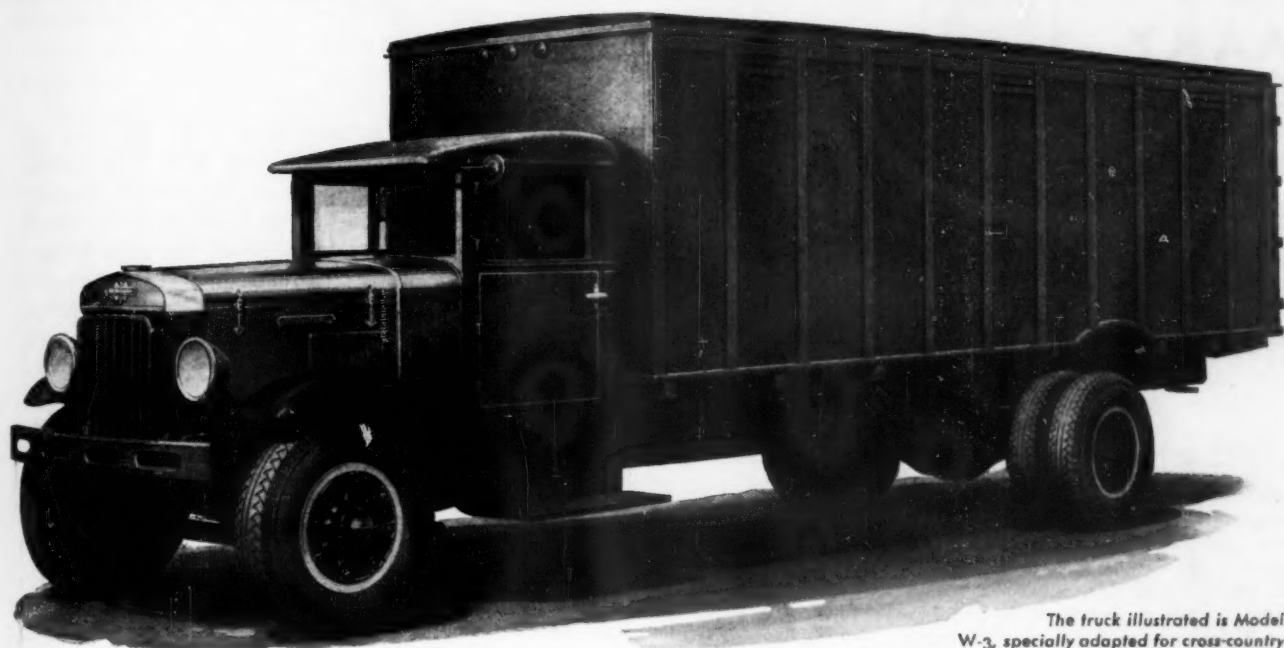
What is not so clear—and is just as significant—is the evolution of the flying machine into a ship of the air. With its progress assured by an active public and private interest, American aviation is properly unwilling to admit any limits to what may be achieved by it in advancing the safety, comfort, and range of flight.—R.C.W.



The New International Heavy-Duty Line

(Rated Capacities from 2½ tons up)

RUGGED - POWERFUL - MODERN



The truck illustrated is Model W-3, specially adapted for cross-country work, shown with paneled van body. Notice the exceptionally well built, comfortable, all-steel cab.

BRIEF FACTS

Wheelbase: 13 different lengths, fitting every job and load.

Engine: Valve-in-head; overhead camshaft; powerful, simple, and unusually accessible.

Clutch: Single plate with built-in vibration damper.

Transmission: 5 speeds forward, 2 reverse.

Final Drive: Double reduction herringbone gear type.

Springs: Semi-elliptic, front and rear. Auxiliary rear springs, quarter elliptic.

Brakes: 4-wheel mechanical.

The new heavy-duty line and other International models, ranging from ½-ton up, are sold and serviced by 180 Company-owned Branches in the United States and Canada and dealers everywhere.

THE new International Heavy-Duty Trucks have good looks in every line — stamina in every part — unrivaled performance in every mile. They are powered and geared to pull into and out of anything the day's work offers. All have five speeds forward and two reverse.

Under the new hood you'll find an unusually accessible heavy-duty engine, thoroughly in keeping with the truck's powerful appearance. Vibrationless, it develops great power at low engine speed



with surprising fuel economy. Reserve strength to match the engine's ample power has been built into every chassis member, into the clutch, transmission, drive shaft, rear axle assembly—and into the truck as a whole. In all its parts and features, every one of the new Internationals is a truck to shoulder the country's hardest work and walk away with it.

You'll want to get acquainted with this new line. See these trucks at the nearest showroom or ask us to send you a folder.

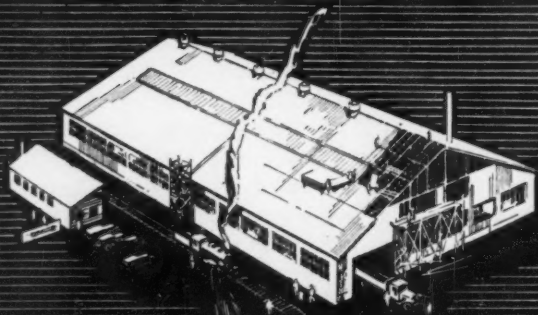
INTERNATIONAL HARVESTER COMPANY
606 S. Michigan Ave. OF AMERICA
(INCORPORATED) Chicago, Illinois

INTERNATIONAL TRUCKS

When writing to INTERNATIONAL HARVESTER COMPANY please mention Nation's Business

ROBERTSON STRIKES AT COSTS

**IF THERE EVER
WAS A TIME
TO BUILD**



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What are you doing about it? If you need new buildings at your plants . . . now is the time. If you have had a building program in the back of your mind . . . today is the day. If you need alterations, additions, or an entirely new plant . . . you can get more building per dollar today than in a decade. Your foresight and prompt action now may be reflected in lower costs for your products for years to come.

The Robertson Company has a fast, efficient, widely-experienced engineering staff that can help you get your work under way in time to take advantage of these conditions. Write today.

H. H. ROBERTSON COMPANY « » PITTSBURGH, PA.

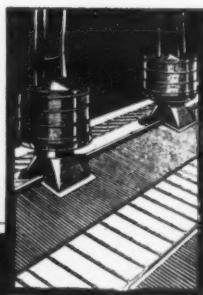
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WORLD



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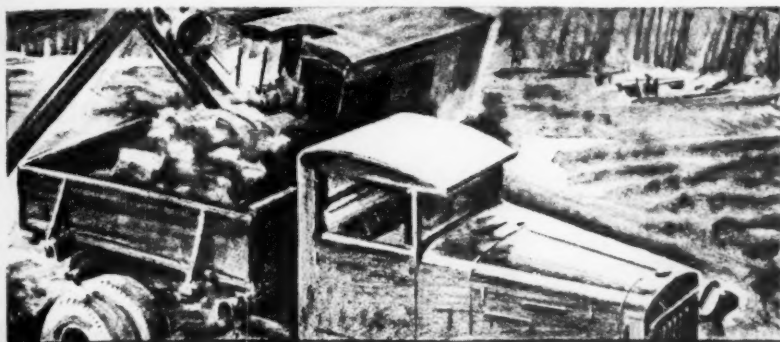
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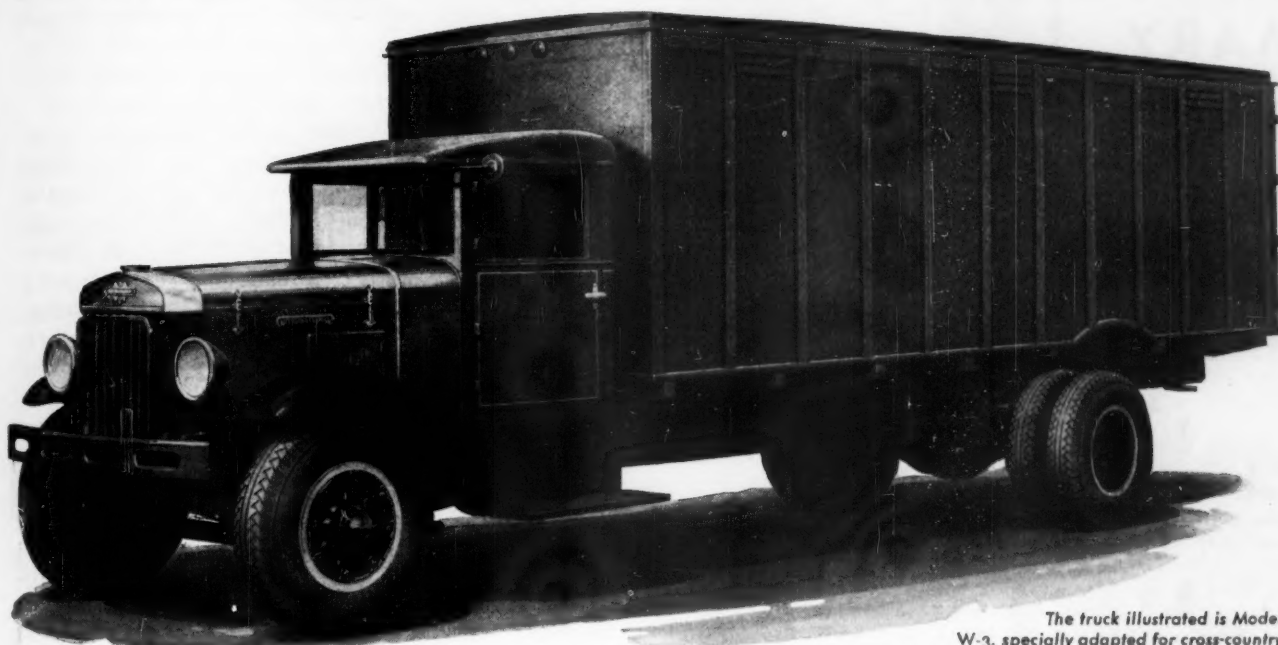
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INTERNATIONAL HARVESTER COMPANY
606 S. Michigan Ave. OF AMERICA
(INCORPORATED) Chicago, Illinois

INTERNATIONAL TRUCKS

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**WHEN
MARY**

**and
her**

**LITTLE LAMB
amazed the world**

On August 12th, 1877, this crude sketch made by Thomas A. Edison resulted in a practical device to record and reproduce the human voice. Edison spoke the familiar poem: "Mary had a little lamb," etc. The words came back exactly as he had uttered them. The Ediphone idea was born.

Today, in every country of the civilized world, Ediphones gain countless hours in transmitting thought from brain to type with half the time, trouble and expense.

You simply pick up the receiver and talk—as easy as telephoning. Ideas are recorded from the tip of the tongue. Letters are often answered in one reading.

Today, after fifty-three years, a world-wide service headed by Thomas A. Edison will assume full responsibility, to organize your present office forces without interruption to business and without charge in proving results. Telephone "The Ediphone," your city, today. Send for the book, "An easy way to chart your correspondence."



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INC.**

ORANGE, N. J.

Ediphone
Edison's New Dictating Machine
World-Wide Service
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Uncle Sam's Books of the Month

DEAR MR. EDITOR:
The further we of the Poplar Glen Ladies Club carry our studies and reviews of the books and pamphlets available at the Government Printing Office the more we are impressed by the untold diversity of the subject matter and the highly educational nature of these publications. At our monthly meetings we often speak with regret of the time we used to waste in idle talk before we took up the study of these government booklets, which are to be had at such modest prices or even for nothing in many instances, if we care to write our Congressman for them.

Selling at a low price

I REALLY don't see just how the Government can print many of these books for the price they bring, but I suppose it's accounted for by mass production. My husband, Mr. Slocum, says that great economies can be effected by mass production, and I know that the Government Printing Office certainly produces a mass of these publications. I asked Mr. Slocum the other night if that was why the Government could sell its booklets so cheaply but he only snorted into his evening paper and muttered something about high taxes, which we weren't talking about at all.

Anyway the Government must be succeeding in this part of its work, even at the low prices it charges, for the Government Printing Office at Washington has just added another wing. Perhaps now they will be able to supply us with an even wider variety of subject matter in the booklets, although I really can't think of any topic that they do not now touch on.

Anyway, the things that may be learned from these publications are truly marvelous and I only hope that these letters succeed in awaking in your readers a higher appreciation of the many things that our Government is doing for us in an educational way through these booklets.

Speaking of education, I wonder how many of your readers know about that most instructive magazine called *School Life*, published monthly (except in July and August) by the Department of the Interior, Washington, D. C., 50 cents a year. It has about the same size of page as *NATION'S BUSINESS*, but nothing like the number, there being about 20

in all. This is partly accounted for by the absence of commercial advertising. This magazine is packed from cover to cover with pictures and reading matter.

"*School Life*," so the inside cover page in the April number says, "is an official organ of the Department of the Interior, Office of Education," and is "intended to be useful to all persons whose interest is in education. It is not devoted to any specialty. Its ambition is to present well-considered articles in every field of education which will be not only indispensable to those who work in that field but helpful to all others as well."

"Articles of high character on secondary education have been printed under the auspices of the National Committee on Research in Secondary Education, of which Dr. J. B. Edmonson is chairman and Carl A. Jessen is secretary; these articles will continue. Miss Emeline S. Whitcomb, specialist in home economics of the Office of Education, has been instrumental in procuring many excellent papers by leading specialists in her subject."

"Through the courteous cooperation of Mrs. S. M. N. Marrs and others, achievements of the National Congress of Parents and Teachers, and parent education are set forth in an important series. Similarly, the activity of Miss Edith A. Lathrop, assistant specialist in school library service, and of Mr. Carl H. Milam, secretary of the American Library Association, has produced a significant series of papers upon county libraries."

Many subjects to be covered

"THE papers in these four unified series will not overshadow others of equal value. Consular reports on education in other countries constantly come to us through the State Department; frequent articles are printed on child health and school hygiene; higher education is represented in reasonable measure. In short, *School Life* means to cover the whole field of education as well as its limited extent will permit."

In the April number is one article which I think should be particularly "useful to all persons whose interest is in education" and "helpful to all others as well." It is entitled "A Precision Method of Calibrating a Tuning Fork by Comparison with a Pendulum," and is written by Charles Moon, associate

"Now the TAIL wags the DOG" - - and profitably so!



"That item was originally only a side line with us—now it's our main business!" We frequently hear this remark... How often

it has come about that the tail wags the dog—and profitably so!

Take, for example, a confectionery concern making a general line of candy. In the line is a more or less obscure item that shows promise. So it is decided to put it out in a popular-priced piece. Attractively wrapped, with an eye to creating popular interest, it is often astonishing how quickly such a product becomes the main factor in the business.

It is a noteworthy fact that in the development of such successes, packaging has played a most important part.

Packages that Sell

Years ago, when the very idea of

packaging was new, it was often merely necessary to "put the product in a package" in order to win new markets. But today, you must be sure that the type of package you adopt is the best that can be devised for your particular product—a package that not only protects the goods, but that helps to sell.

For the past quarter of a century, we have been planning and making the necessary machinery for producing packages that sell. If you were to investigate the greatest successes in the package goods field today, you would find that the majority of these products are being wrapped on our machines.

Consult Us

We will be glad to discuss your packaging problems with you, and give you the benefit of our recommendations. Get in touch with our nearest office.

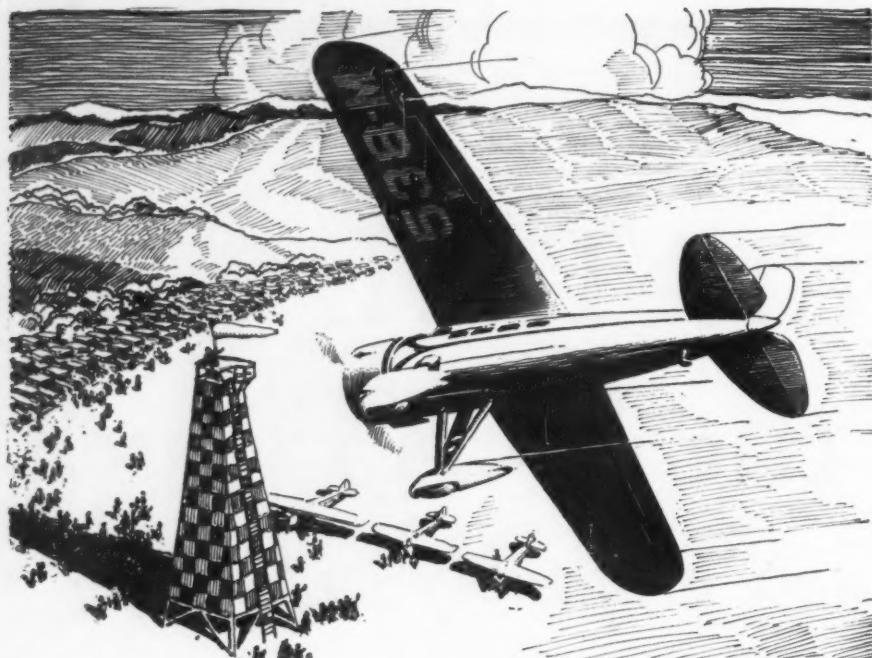
PACKAGE MACHINERY COMPANY *Springfield, Massachusetts*
New York Chicago Los Angeles

London: Baker Perkins, Ltd.



PACKAGE MACHINERY COMPANY

Over 150 Million Packages per day are wrapped on our Machines



AMELIA EARHART— "first lady of the air" Flies a Lockheed-Vega

Among women pilots today, Miss Amelia Earhart is recognized as the outstanding personality—America's "first lady of the air." Her fame rests not only on being the first woman to fly the Atlantic but also upon her unusual flying ability. As proof of this she holds a number of women's speed records—made with her swift Lockheed-Vega.

This summer, with the first standard model all-metal cabin Lockheed-Vega ever produced, she established three new international records for women within two weeks' time—a speed rate of 174.9 miles per hour over a 100 kilometer course (62.13 miles) with plane empty—a rate of 171.5 miles per hour over the same course with a load of 1103 pounds—and a rate of 181.18 miles per hour over a 3 kilometer course (1.86 miles).

It is significant that Miss Earhart chose a Lockheed as her personal plane. Everyone knows that Lockheed is the world's fastest commercial airplane—but experienced pilots know in addition that it is the easiest ship to handle. That is one reason why Miss Earhart selected a Lockheed.

For speed—and safety—Lockheed is unmatched. It flies faster and lands more slowly than any plane of its power or weight—controls perfectly even under stalling speeds. Whether there is a woman pilot at the controls or a man, "it takes a Lockheed to beat a Lockheed."



DETROIT AIRCRAFT

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LOCKHEED AIRCRAFT CORPORATION
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GLIDERS, INCORPORATED
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DETROIT AIRCRAFT EXPORT CORPORATION

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physicist, Bureau of Standards (Research Paper No. 144, Reprint from Bureau of Standards Journal of Research, Vol. 4, February 1930, price five cents). I quote from the opening paragraph, entitled "Abstract":

"A photographic method for determining the relative frequency of a tuning fork and pendulum is described in which no energy is drawn either from the fork, the pendulum, or from the fork-driving circuits. A photographic record is obtained from which the frequency of the fork, the amplitude of the fork, and the amplitude of the pendulum are obtained. The accuracy of the timing is such that the time interval for an integral number of fork vibrations can be determined to 20 micro-seconds. If the pendulum is timed over an interval of one second, the error in frequency will be ± 0.002 per cent. If the time interval is increased to n seconds, the error will

$$\text{be } \frac{1}{n} \times \pm 0.002 \text{ per cent}$$

"Irregularities in relative frequency have been found which are thought to be due to a variable rate of the pendulum caused by microseismic movements of the building. Curves are given showing the frequency amplitude relation for two forks (one of steel and one of elinvar) when vibrating freely."

The Club is not going in for this work to any extent, but I feel I can safely recommend it.

A meeting of officials

THERE is another book I must mention in closing, a very thick one called "Association of Governmental Officials in Industry of the United States and Canada." Of course, you could not expect the ladies to be very enthusiastic about this work, as none of us is an official. But we like to be informed in all branches, and I pointed out to the ladies that this work is a report of the Sixteenth Annual Convention of these officials, held in Toronto, June 4-7, 1929, and is printed as Bulletin of the United States Bureau of Labor Statistics, No. 508, January, 1930, price 30 cents. The work consists of 175 pages of speeches and conversation.

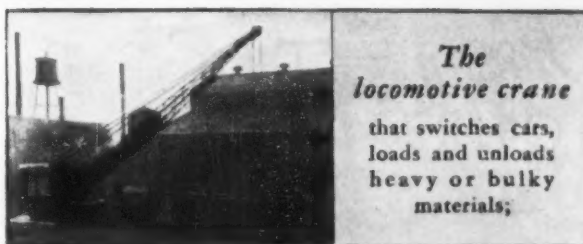
The absorbing question of places for our university men was discussed at length. One lady thought factory inspectors ought to be trained men, but was not prepared to say how. A gentleman said he was a pioneer factory inspector and he could take a mechanic with a moderate education and very often he could accomplish more than the university trained men.



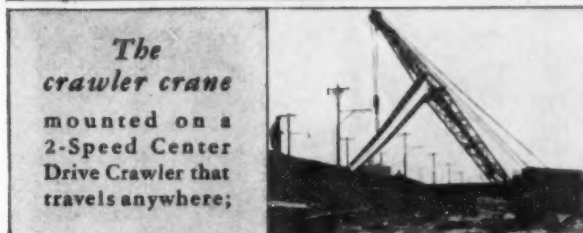
An
**ENGINEERING
 ACHIEVEMENT**
*that has won
 Leadership
 for*
**LORAIN
 MACHINES**

All of these machines are built to one fundamentally sound design . . . the Thew Center Drive . . . simple, applying the power directly to each operation, requiring fewer moving parts, and permitting greater ruggedness without increased weight. **▲▲** Each machine is a specialized unit, yet all are built on a mass production basis, offering a value that has won preference for Lorain machines the world over, a value that you cannot afford to overlook in the selection of a material handling or excavating machine.

THE THEW SHOVEL COMPANY
 Lorain, Ohio



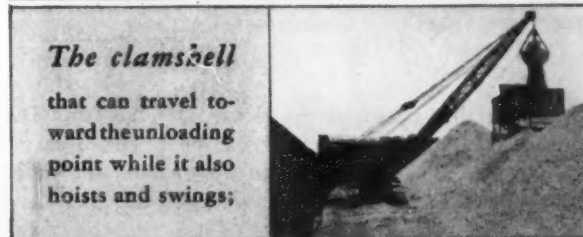
The locomotive crane
 that switches cars, loads and unloads heavy or bulky materials;



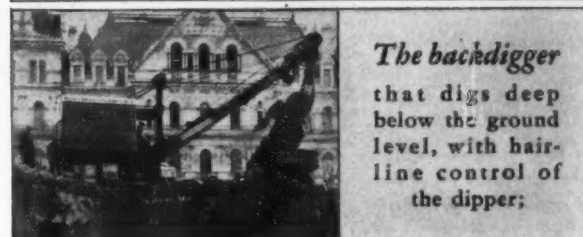
The crawler crane
 mounted on a 2-Speed Center Drive Crawler that travels anywhere;



The shovel
 with tremendous power that can be concentrated directly to any one motion — hoist, swing or crowd;



The clamshell
 that can travel toward the unloading point while it also hoists and swings;



The backdigger
 that digs deep below the ground level, with hair-line control of the dipper;



The dragline
 that tosses the bucket out and drags in the load;



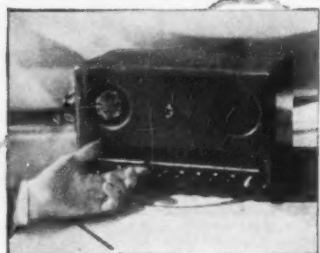
The skimmer scoop
 that levels the grades.

45 . . 55 . . 75

THEW LORAIN

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Put an EXTRA
HOUR into your
day.



with this amazing
system of INTER-OFFICE
TELEPHONES

HOW would you like to add another hour to your business day—a bonus hour, for more work or more play? . . . Thousands of modern executives have discovered a way of accomplishing this very thing—of earning time by saving it!

These men are using the DICTOGRAPH, a humanized System of Interior Telephones, which will help you put nine hours of productive time into an eight-hour day . . . or let you clip off, with clear conscience, an extra hour for relaxation.

DICTOGRAPH facilitates crisp, quick inter-office communication all thru the day because it puts you in instant conversational contact with your department heads or others with whom you need to confer . . . Spontaneous as thought, DICTOGRAPH engages the person you want the moment you want him!

A sensitive microphone picks up your voice. A clear-toned loud speaker brings back the answer. It is, in effect, a miniature broadcasting station right on your desk—ready at all times to transmit your messages and deliver a response.

DICTOGRAPH saves time, saves steps, aids reference to records and minimizes the chance of error. It lifts the burden of "inside" calls from your telephone switchboard—the "door is always open" to customers who are calling you.

An actual demonstration, on your desk, will show you how. It will take only a few moments and place you under no obligation . . . Consult the telephone directory for our address in your city. Or write direct to DICTOGRAPH PRODUCTS CO., INC., 224 West 42nd Street, New York, N. Y.

DICTOGRAPH
SYSTEM OF INTERIOR TELEPHONES

"The Modern Miracle of Business"



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HUMAN NATURE IN BUSINESS

By Fred C. Kelly

CHIC SALE, comedian, and author of "The Specialist," who has stayed in hundreds of hotels during many years on the road as a theatrical performer, was telling me recently of certain improvements he would make if he were a hotel proprietor.

"In the first place," he said, "I would have interesting pictures in hotel bedrooms. Has anybody ever noticed a picture in his hotel room that made enough impression for him to remember it by the time he got as far away as the lobby? In all my traveling, I don't recall a single picture that I ever saw in my room.

"They are usually just scenes in foreign countries or at any rate have no relation to the everyday life of a man compelled to be away from home. Rather than have an uninteresting painting in a guest room, if I were running a hotel, I would collect originals, or even copies, of amusing cartoons from the daily papers and have them framed. I can remember scores of pictures drawn by such cartoonists as H. T. Webster, and others. If I had seen such pictures in a hotel room, I would have carried away a pleasant memory not only of the pictures but the hotel also.

"Another thing I would do if I were in the hotel business would be to provide at least one dining room where the cooking is all done by a woman. I have never yet found a man cook who could prepare food in the same way that a woman can. I go to much trouble when in a strange town to hunt up little tea rooms where they have women cooks. I should be able to have such service right at my hotel."

I WONDER if great corporations dealing in dress materials have ever made a serious effort to arrive scientifically at a knowledge of color preferences at different ages. Not long ago an investigation was conducted in England to learn from a group of 300 children, between six and fifteen, what kind of clothes they would wear to a party, and why; the kind of clothes they would wear every day, and why; the kind of clothes they dislike to wear.

The answers indicated that children up to the age of nine are interested mainly in color. From ten to twelve, they become more interested in decora-

tion and design, and give more thought to variety of color rather than mere intensity of color. As the age increases, a young person regards the dictates of fashion and convention as more and more important. If I were selling dress goods, I'd want to know more about such questions as this.

AN INVESTIGATION into accidents in various steel and tube mills indicates that accidents are slightly more likely to occur on Wednesday than on Friday and also more probable toward the middle of a 12 hour working shift than at either end. The explanation is that the accidents are more likely when men are not only fatigued but are working with great intensity.

Men are no more fatigued on Wednesday than on Friday but are able to put a little more effort into their work then. The investigation also showed that no matter how many safeguards are devised, a few men are certain to be careless and be hurt.

AN AUTOMOBILE salesman, employed by one of the competitors of Mr. Ford, made an investigation among Ford owners to try to learn why they bought a Ford rather than some other car. The most astonishing fact revealed by the inquiry was that these buyers didn't know why they bought Fords.

Many of them had never even driven a similarly-priced car to ascertain if they would like it as well. Few of them could think of one specific reason why a Ford was first choice. It appears that when a man gets an idea that he wants a Ford car, he buys a Ford, and that is all there is to it. Arguments in favor of some other car are of little avail because the buyer isn't even enough interested to listen to them.

SHORTLY after the collapse in stock prices, a friend of mine, head of an advertising agency, bought various stocks dealing in beauty preparations on the theory that such goods will have a greater increase in consumption than almost anything else.

He had directed a fairly comprehensive investigation in one or two cities which indicated that not more than two

STRUCTURAL STEEL CREATED THE SKYSCRAPER STEEL GIVES DAYLIGHT A CHANCE



"APARTMENT HOUSES OF THE FUTURE." IN THIS IMAGINATIVE DESIGN BY HUGH FERRISS A PROMENADE BRIDGES VEHICULAR TRAFFIC. AN ENLARGEMENT, ON SPECIAL STOCK FOR FRAMING, WILL BE MAILED WITHOUT CHARGE TO ANY ARCHITECT, ENGINEER OR BUSINESS EXECUTIVE.

MIGHTY, modern, adaptable steel . . . it stands alone, needs no bolstering—and when unconcealed by weaker materials brings light and air and majesty to cubist mass, to lance-like tower.

Windows, which in the fledgling skyscrapers were mere slits through heavy masonry, have grown in size and number. Tomorrow, curtain walls will yield to solid-section steel windows, to sheets of glass through which even ultra-violet rays may pass.

In small as well as large structures, steel is an ally of daylight, of speed, permanence and economy. It

permits the most practical design for homes, schools, apartment or mercantile houses, industrial plants and small bridges. Steel has less bulk, greater strength than any other fire-resistive material. It secures more floor space; saves building time and labor; facilitates alterations, additions, removal.

Before building anything, find out what steel can do for you. The Institute serves as a clearing house for technical and economic information on structural steel, and offers full and free co-operation in the use of such data to architects, engineers and all others interested.

The co-operative non-profit service organization of the structural steel industry of North America. Through its extensive test and research program, the Institute aims to establish the full facts regarding steel in relation to every type of construction. The Institute's many publications, covering every phase of steel construction, are



available on request. Please address all inquiries to 200 Madison Avenue, New York City. Canadian address: 710 Bank of Hamilton Bldg., Toronto, Ontario. District offices in New York, Worcester, Philadelphia, Birmingham, Cleveland, Chicago, Milwaukee, St. Louis, Topeka, Dallas, San Francisco and Toronto.

AMERICAN INSTITUTE OF STEEL CONSTRUCTION

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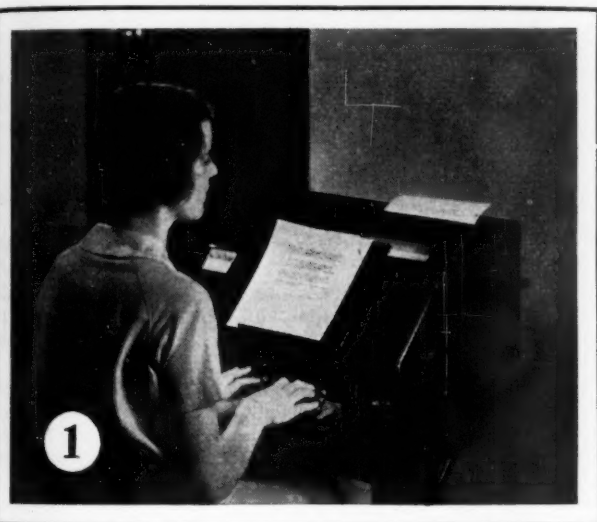
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FOR NO MORE THAN A MESSENGER'S WAGES

you can enjoy INSTANT AND UNLIMITED
TYPEWRITTEN COMMUNICATION *between*
your office and distant plant or warehouse



- 1 Seated at a Teletype in a manufacturer's office, this typist writes: "SHIP 12 GROSS NO. 10870 SATIN FINISH TO MASON & CO., 759 STATE ST., WESTPORT, ILL., BY EXPRESS TODAY."
- 2 And at the factory, six miles away, this unattended machine repeats her message letter for letter and figure for figure.



ically, it is unnecessary to wait for somebody to answer before a message can be sent. Machines can be used in either direction if desired.

WHY continue to put up with idling, undependable messengers when, at no increase in overhead, you can bring your far-removed factory or warehouse within *seconds* of your office?

Teletype . . . the Telephone Typewriter . . . transmits typewritten instructions over telephone wires at the rate of 60 words per minute. Any message written on the sending machine is instantly reproduced by the receiving machine, and both machines make a record for filing.

It is practically impossible to make an error in transmission, as the sender has only to look at what he or she is writing in order to see what is being printed at the other end. Thus even the most intricate orders and specifications can safely be transmitted by Teletype.

As the receiving machine typewrites automat-

*Ask your local telephone
company for further details!*

Telephone typewriter service is invaluable between widely separated offices and factories or warehouses, as well as within large offices and plants. Ask the telephone typewriter department of your local telephone company for further details, or, if you prefer, write the Teletype Corporation, 1400 Wrightwood Ave., Chicago.

TELETYPE

THE TELEPHONE TYPEWRITER

TOPICS FROM THE BUSINESS PRESS

By PAUL H. HAYWARD

THE wheat combine has revolutionized methods of wheat harvesting," says *Commerce and Finance*, "and has had a profound effect upon the crop movement by delivering almost the entire crop to the elevators at once."

Now comes the corn combine, it adds, and quotes a description of its operation from the *Chicago Economist*:

It cut the corn close to the ground, husked it, and shelled and cleaned the grain, leaving behind shredded cornstalks ready to be plowed under ground. And when factories are built to use cornstalks for paper and other by-products, the machine can be so adapted that it will strip the leaves off the stalks, tie them in bundles, and deposit them ready for the paper mill. The economic importance of the event lies in the fact that, while the corn had stood outdoors all winter and the stalks were wet and difficult to handle, the crop was harvested at a complete cost of \$1.18 an acre, or less than three cents a bushel.

"Thus does machinery defeat all the 'back to the farm' agitation that can be generated," the New York publication points out. "We need not more farmers, but fewer. . . . When our inventors and technicians devise a new industry that will take care of the excess labor that farm machinery is releasing the country will enjoy unprecedented prosperity."



♦ The Origin of Call Loans

THE call loan, for all its modern sound, traces its origin far back through the centuries, we learn from *The Magazine of Wall Street*. Its venerability, we read,

is established fairly accurately in the Talmud, the book of Rabbinical Judaism. According to the old Mosaic law all debts among the Jews were to be remitted in the Sabbatical or seventh year.

This measure was intended to adjust the inequalities of fortune, and was rather a socialistic precept. It is written in Chapter 15 of Deuteronomy:

"At the end of every seven years shalt

thou make a release . . . the loan which thou hast lent thy neighbor."

However, Rabbi Hillel, chief of the Rabbinical College, discerned that the statute had a great fault to it. The wealthy man was loath to loan his money to those most in need, fearing to lose it under the law. As a remedy Hillel ordained that the creditor might make a duly signed deposition before the Sabbatical year, reserving the right to collect (call) his outstanding accounts at any time he might think proper. And thus was established the Call Loan, only 3,700 years after Adam began business in the Garden of Eden.



♦ A Count Which Went Wrong

THE matter of store locations has not yet been reduced to an exact science, J. G. Donley, writing in *Chain Store Review*, points out. He cites the case of a variety store chain, which

decided to put a large store in a Baltimore location after a traffic check had showed a most promising density. But when the store was opened business did not come up to expectations—in fact it didn't even approach 'em.

The store manager—with an eye for realities as well as the potentialities of merchandising—quickly discovered what was wrong. A large percentage of the traffic was colored, and a little observation showed that a surprisingly large percentage of the colored traffic walked back and forth on that block and the next. The clocker had checked and double checked 'em—and then some!

But the manager did even better than headquarters had a right to expect. He played up toiletries and ran a surprising volume in bay rum. Eventually, of course, the store had to be cut to half its original size.

No one yet knows all there is to know about the psychology and mathematics of store locations.

♦ Bridging the Slumps

"THE Motor and Equipment Association has started an advertising campaign which has as its objective an increase in the amount of business represented by the repair and maintenance work done for automobile owners," says

Advertising Age, in an editorial entitled "One Way to Maintain Volume." This campaign, it is pointed out,

will not only stimulate the sale of repair work, but will increase purchases of parts, accessories, finishing materials, etc.

The whole automobile industry is alive to the fact that if fewer new cars are sold this year, more business may be done in the service field.

Most other industries can profit from the example of the motor-car field. If there is a reduction of buying in one direction, the right kind of advertising and sales promotion may assist in increasing it in another. The repair, maintenance and modernization program which is being applied to various fields represents one of the best ways to bring the total activity up to something approaching par.

The home modernization work which is being participated in by the building field is a good instance of what may be done along this line. Factory modernization is being urged by the Government, and the idea is being carried out to a considerable extent.

The Clean Up and Paint Up plan in the paint field . . . shows the huge volume of business which may be built around relatively small and insignificant individual activities. In the aggregate they amount to astonishing totals.

In any period of recession of buying of major items, increasing the number of buyers of smaller items is the obvious method of protection against serious shrinkage in the total volume. . . .



♦ A Novel Truck Service

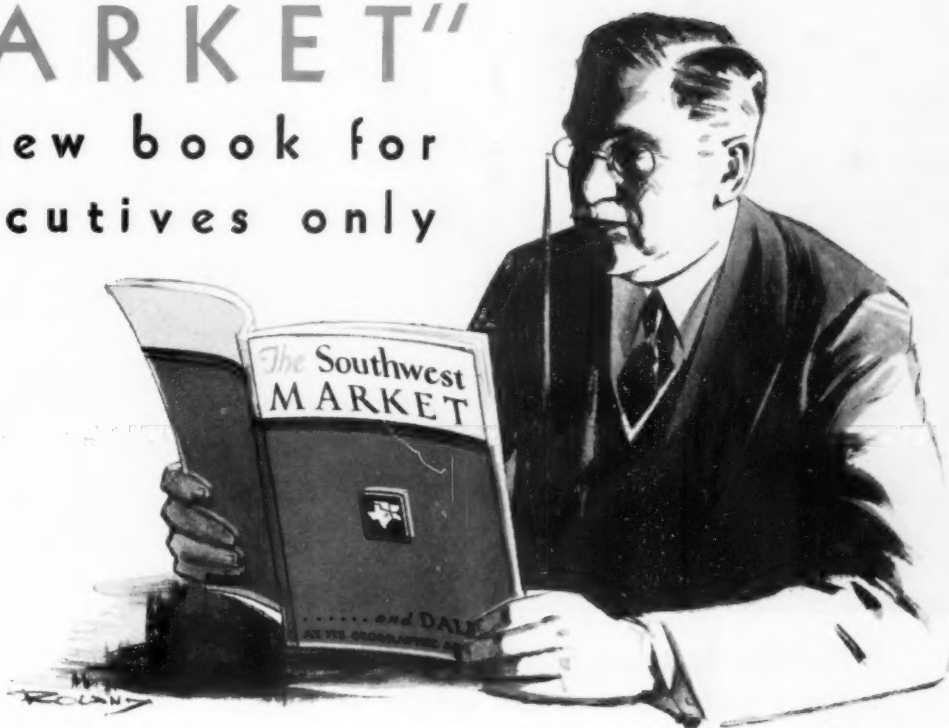
A NOVEL method of handling less than carload freight has been developed by the North Shore Line, an electric railway operating between Chicago and Milwaukee, we read in the *Illinois Journal of Commerce*. It is known as "ferry truck service" and

consists of a pickup and delivery service in Chicago and Milwaukee, but differs from the methods commonly used, in that the "ferry trucks," or steel containers, are mounted on their own running gear and in that way transported by tractor and rail from the warehouse doors of the shipper to the doors of the consignee.

To illustrate briefly: the "ferry truck"

"THE SOUTHWEST MARKET"

A new book for
executives only



EXECUTIVE interest in the Southwest mounts daily throughout the structure of American Business. Some are tempted by the size and richness of the Southwest market area of Texas, Oklahoma, Arkansas and Louisiana. Others are attracted by Southwestern raw material and fuel resources. Still others are primarily interested in the untapped reservoir of intelligent labor. Frequently all of these factors are of interest to the executive. And there is a definite swing to Dallas—geographic and economic center of the Southwest Market. American Business has chosen Dallas as Southwestern Headquarters.

We have prepared for business executives a new 144-page book of facts—"The Southwest Market"—which is just off the press. This book gives the latest available information on Southwestern sales and manufacturing opportunities. It presents to executives quickly and concisely the facts that are needed in considering expansion in this rich and growing territory. It will have the respectful attention of every executive to whom it is sent. As an executive, you are invited to send for this new book. Write on your business letterhead, or mail the coupon now. All inquiries held in strict confidence.

TWO THOUSAND one hundred and forty national and sectional concerns maintain sales, distribution or manufacturing branches in Dallas. Two hundred and thirty of these concerns came to Dallas in 1929; one hundred and twenty-five have established branches in Dallas since January 1, 1930. Our new book gives the facts on which executives of these concerns have chosen Dallas. Be sure to send for your copy now.



Dallas

Southwestern Headquarters
to American Business

EXECUTIVE COUPON

Industrial Dallas, Inc.
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Please send free copy of your new book, "The Southwest Market," to:

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The B & O Uses 64

Industrial Brownhoist 25-ton Gasoline Crane unloading L. C. L. containers at the West 26th Street Station of the Baltimore & Ohio Railroad in New York City. A car of six containers, as used in New York-Baltimore-Pittsburgh service, can be unloaded in about eight minutes. The crane also unloads heavy or bulky articles from open top cars.



Railroading today has become a highly developed personal service instead of just a matter of carrying passengers and hauling freight. Witness the Baltimore & Ohio, for example, who say, "We can honestly try to give people a little more than they've paid for . . . let us have tracks that are smooth, equipment that is modern and clean." As a part of their ever-broadening program, this road has in its equipment a total of 64 Industrial Brownhoists.

Careful judges of crane value know that no one type of machine is best suited for all kinds of service and the Industrial Brownhoists owned by the B & O include cranes of many different sizes and powered by steam, gas and Diesel power. This is one of the many advantages in buying an Industrial Brownhoist—you get a crane that is actually suited to your work, because there is a size for every job.

Industrial Brownhoist Corporation, General Offices, Cleveland, Ohio

District Offices: New York, Philadelphia, Pittsburgh, Detroit, Chicago, San Francisco, New Orleans
Plants: Brownhoist Division, Cleveland, Ohio; Industrial Division, Bay City, Michigan;
Elyria Foundry Division, Elyria, Ohio

INDUSTRIAL BROWNHOIST

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is pulled to the warehouse of the shipper and left there to be loaded and sealed. It is then picked up by the tractor, hauled to the receiving station of the railroad, pulled up a ramp on to a specially constructed flat car, securely fastened and sent to its destination. Another haul by a tractor and the "ferry truck" is deposited at the warehouse of the consignee where the seals are broken and the merchandise unloaded.

This method of shipping merchandise not only saves time in transit and handling by the railroad company, but it eliminates losses from theft or breakage, and is economical for both shipper and railroad.

♦ Financing Telegraphic Bouquets

SAYING it with flowers telegraphically involves an interesting financial setup, we read in *Printers' Ink*, worked out by the Florist's Telegraph Delivery Association. This Association, started 16 or 17 years ago by a group of some 14 men, by 1923 found that the business had assumed such proportions that individual communication and financing under the telegraph system was no longer possible. Establishment of a clearing house was proposed and, two years later, the plan was adopted. It works like this:

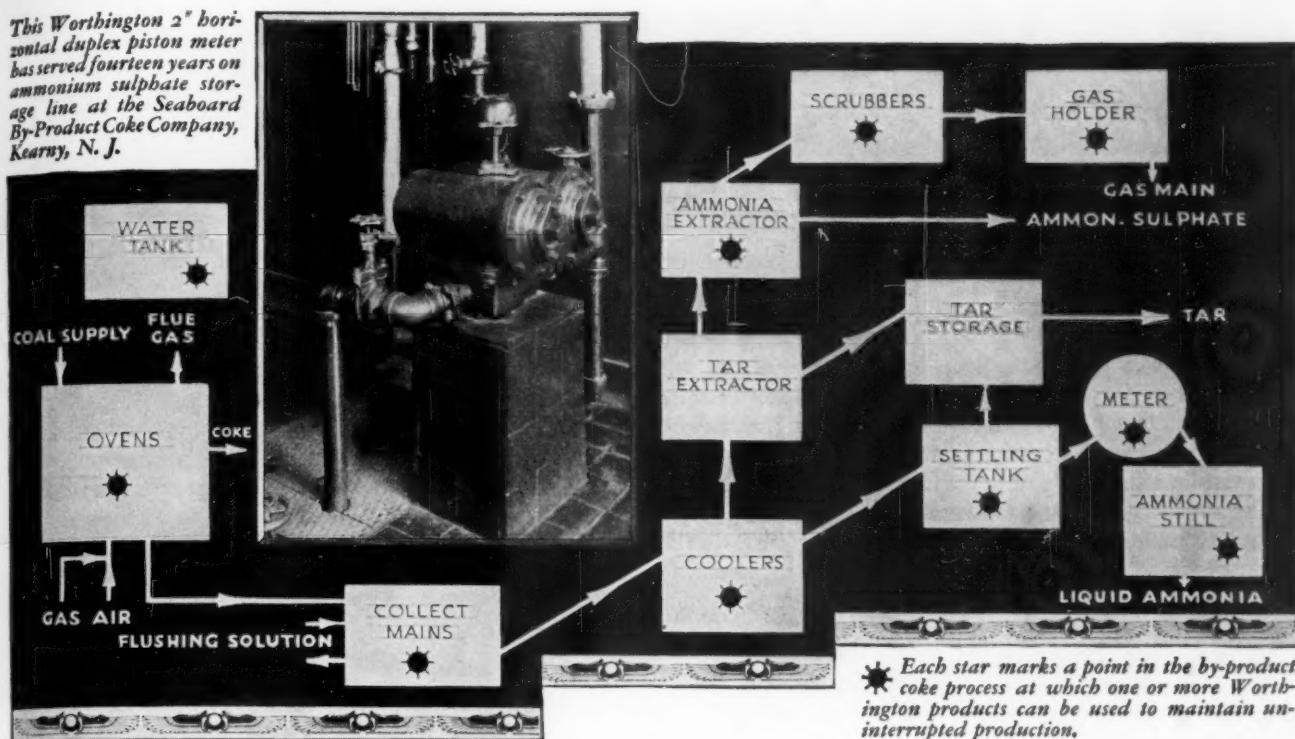
The names of the members represented in the Clearing House are listed in a book of which each member has a copy. When a member receives an order by telegraph or telephone, he consults the book to see whether the florist ordering is a member in good standing. If the book qualifies the florist, he fills the order.

An applicant for membership in the Clearing House must supply all kinds of references in regard to his standing in his community. If his credentials are acceptable, he deposits a \$50 bond as evidence of his good faith and as a guarantee to the other members should he default in his payments. Of course, it is so arranged that if any member does not pay up within ten days after his statement is submitted to him, he is automatically dropped as a member and all other members immediately are notified not to accept orders from his shop. It is easy to see that financially the Clearing House is as solid as it can be, since 4,600 members have each posted a bond of \$50.

Every month each florist member submits his total incoming orders to the Clearing House. Here each member has his account straightened for him and he is told how much he owes, or, if the balance is in his favor, he is told how much is being sent him. For this service the Clearing House receives two per cent.

Because the Clearing House demands such strict adherence to its code and so much in the way of financial stability and references, it has figuratively put the florist business in this country on its feet. It obviates losses which reputable florists formerly incurred through dealing with florists not so reputable.

This Worthington 2" horizontal duplex piston meter has served fourteen years on ammonium sulphate storage line at the Seaboard By-Product Coke Company, Kearny, N. J.



They bought *today's* performance ... *fourteen years ago*

IN 1916, the Seaboard By-Product Coke Company installed this Worthington horizontal duplex piston meter for measuring the passage of ammonium sulphate from settling tank to still.

Today, the meter is still in service, playing an important part in safeguarding production efficiencies. It measures 37½ tons of liquid per day.

This service record is a typical one . . . for Worthington's seventy years of experience in building meters is reflected, in each unit produced, in the ability to function accurately year after year with a minimum of maintenance.

The importance of measuring the fluids involved in industrial processes is sometimes overlooked. A check-up of your liquid handling problems by a Worthington engineer may show you a means of cutting costs.

WORTHINGTON



METERS

Disc Meters . . . both frost-proof and for warm climates
Turbine Velocity Meters
Compound Meters
Cold Water Meters
Hot Water Meters
Oil and Gasoline Meters

PUMPS

COMPRESSORS
Stationary and Portable
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BUFFALO	CLEVELAND	DETROIT	KANSAS CITY	NEW YORK	ST. LOUIS	SAN FRANCISCO	WASHINGTON

Branch Offices or Representatives in Principal Cities of all Foreign Countries

Foreign Trade Doesn't Just Happen

By DR. NEIL VAN AKEN

Secretary, The Netherlands Chamber of Commerce in New York, Inc.

IS it a truism to say that foreign trade does not just happen? In the lobby of the Davenport at Spokane was, or is, a mural painting depicting a mule stubbing his toe against an outcropping of mineral ore which led to the discovery of a famous mine in the Coeur d'Alenes. But we have never heard of a legendary mule stubbing his weary toe against a barrel of wire nails in Youngstown, Ohio, and kicking it with sufficient force to have it land in an importer's office in Sourabaya.

No, foreign trade does not just happen. But it can be made more or less easy if the various agencies whose main purpose is to promote it are used.

Governments help exports

THOSE firms in the United States whose efforts are directed toward the export of their products to foreign countries, find their greatest ally in the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce. From my study of, and contact with, similar bureaus abroad I know that our Washington service is by far the best equipped, most efficient, and most practical foreign trade bureau in existence. A fat government pocketbook has done wonders. As to promoting imports, however, ask the man who tried it. And in this respect Washington differs not at all from Berlin or Paris or The Hague. Governments give but little encouragement to the importer.

In spite, however, of the excellent government equipment for the furtherance of exports, many traders in all countries, including the United States, prefer to entrust the solution of their trade problems to private or nonofficial agencies. And as to import problems, unless they have their own organizations abroad, they are almost forced to turn to a private commercial bureau which specializes in the country toward which their aims are directed.

Among such bureaus the so-called foreign chambers of commerce are perhaps the best known and most reliable. They are styled "foreign" from the fact that they are organized to promote trade with some foreign country designated by

the name under which they are known.

Many, if not most, of these foreign chambers are American organizations, not merely because they are incorporated under the laws of some state, but because most of their officers and members are Americans.

This is not sufficiently understood by the general trading public, owing perhaps to the fact or the suspicion that these foreign chambers of commerce receive financial aid from sources abroad, even from a foreign government. Such support, if any, from private firms or individuals is usually in the form of membership fees, to supplement a similar income from American memberships.

Any revenue which some may derive from a foreign government is not usually a direct subsidy, but rather a payment for actual services rendered. This does not mean that such foreign chambers become thereby government agencies. As far as I know they would refuse such contributions if they were intended to bind the recipients to the economic policies of the foreign donors.

The fact alone that all foreign chambers of commerce in the United States endeavor also to promote exports of American products, frequently of articles that compete with "home" industry, is sufficient proof of their independence from foreign control. If it were otherwise they would lose the main reason for their existence.

Chambers have best information

IT MAY be asked why a foreign government will enlist the services of an unofficial or private body in the United States. Has not each foreign government a large number of consular officers scattered from coast to coast?

The main answer is that foreign consuls as a rule (I am not speaking of American consuls abroad) do not have the facilities, the staff, or the experience to advise on all the phases of foreign trade in their respective districts. They are usually good diplomats with all the hindrance which a diplomatic function means in the development of private trade. Many of them are shunted from one foreign country to another, as a re-

sult of the policy of promotions to which they all aspire. This applies only to consuls *de carrière*.

As to the large number of titular consuls, they are mostly so engrossed in their own private business from which they derive a living, that unusual efforts to concern themselves with government inquiries cannot be expected. Moreover, there is always a feeling that such consular officers may divert foreign inquiries to their own private profit.

For these reasons many foreign governments turn to their foreign chambers of commerce abroad for aid in promoting the trade relations of their nationals, and quite naturally they are expected to pay for whatever services they require.

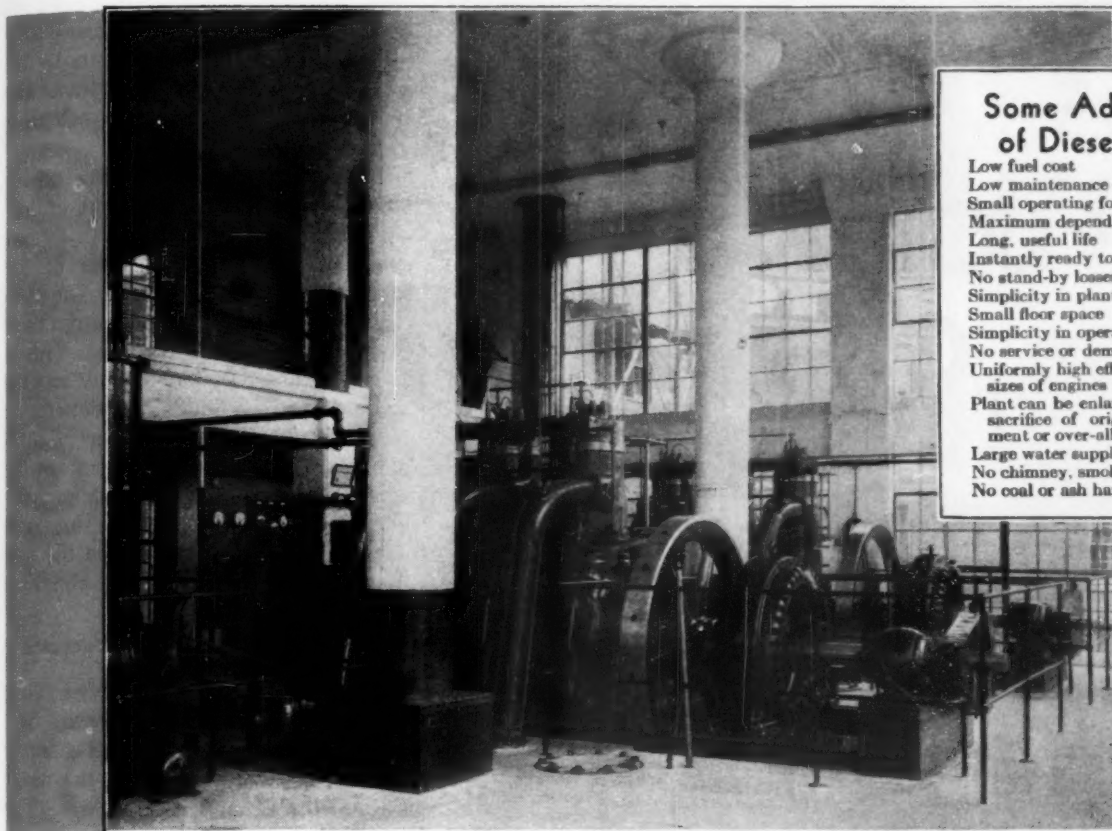
Supported by business

MAY I therefore repeat that a foreign chamber of commerce in this country is a private, nonofficial body composed of and supported by business men here and abroad, who see direct and indirect advantage in the existence of an organization which can act as a point of contact between the trading nationals of two countries. If this were better understood firms and individuals who do not intend to become members or contributors would make fewer unreasonable demands from the staffs of foreign chambers of commerce.

However, I do not know of a single foreign chamber in this country which refuses outright to assist an inquirer, member or nonmember. In fact it will go out of its way to satisfy a nonmember, to convince him, if possible, of the chamber's value and so enroll him in the future.

I spoke of the indirect benefit of foreign chambers of commerce to international trade. This may explain why the large banks and business institutions of the United States follow the general policy of supporting them by one or more memberships.

The National City Bank, the Guaranty Trust Company, the various Standard Oil groups, General Motors, and similar world-wide organizations, find it in their interest to support such chambers, or at least the more important



Some Advantages of Diesel Power

Low fuel cost
 Low maintenance cost
 Small operating force
 Maximum dependability
 Long, useful life
 Instantly ready to deliver full power
 No stand-by losses
 Simplicity in plant design
 Small floor space
 Simplicity in operation
 No service or demand charges
 Uniformly high efficiency in all sizes of engines
 Plant can be enlarged without sacrifice of original investment or over-all economy
 Large water supply unnecessary
 No chimney, smoke, ashes
 No coal or ash handling apparatus

"...therefore our power plant COST US NOTHING!"

In summing up a two-year cost report on their two 180 hp. Fairbanks-Morse Diesel-generating units, Hobart Brothers at Troy, Ohio, say "... therefore our power plant cost us nothing!"

Using cheap, low-grade fuel oil—and getting a far greater return in usable energy than any other form of power known to modern engineering—these engines in the Hobart Plant actually have paid for themselves out of savings and will increase profits for years to come.

So certain are the economies of Diesel power that America's largest manufacturer of these engines, Fairbanks, Morse and Company, has completed a plan whereby the difference between your present power costs and the lower cost of Diesel generated power, actually becomes the payments on the engines.

Savings as great as 50% are not uncommon in the record of nearly 2,000,000 horsepower of F-M Diesels now in service. No wonder they pay for themselves in a surprisingly short time.

Fairbanks-Morse engineers are available for a survey of the power needs and costs in your plant. They will then show you from your own records the important savings which can be made. Cutting costs and not profits is the real answer to competition. Don't overlook the major item of power. Write today saying you are willing to learn the facts.

FAIRBANKS, MORSE & CO.
 900 S. Wabash Ave., Chicago

32 branches at your service throughout the United States

This booklet explains in detail the unique Savings Payment Plan whereby F-M Diesels actually pay for themselves. A copy will be sent to executives on request.



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DIESEL ENGINES

MOTORS • PUMPS • SCALES

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LOOK OUT BELOW!

DROPS of moisture condensed at the ceiling never shout a warning. But they often cause damage below. Silently they collect. They rust machinery, ruin materials, and cause millions of dollars of damage and loss each year.

Adequate Insulation Necessary

Wise executives are protecting their buildings from this costly depreciation by insulating roofs with Armstrong's Corkboard Insulation. And they are annually saving millions in fuel bills, too, because Armstrong's Corkboard provides efficient insulation—shuts out summer heat, winter cold. Now, year 'round comfort is brought to *every* floor.

Easily Applied

Armstrong's Corkboard can be laid over any type of roof-deck—old or new. It is moisture-resistant. It does not buckle, shrink, or swell. And it can be laid quickly, because it comes in a *single thickness!*

We suggest that you write for a copy of the book, "The Insulation of Roofs with Armstrong's Corkboard." It contains much valuable information about insulating every type of roof. Armstrong Cork & Insulation Company, 903 Concord Street, Lancaster, Pa. Branch offices in Montreal, Toronto, and Winnipeg.

Armstrong's

Product

Armstrong's Corkboard Insulation

FOR THE ROOF OF EVERY BUILDING

When writing to ARMSTRONG CORK & INSULATION COMPANY please mention Nation's Business

ones, not because they need to call on them for information, but because they realize that all organized efforts by responsible organizations to promote the smooth flow of international trade are a distinct advantage to them.

Moreover, there is a psychological advantage accompanying support of foreign chambers of commerce. In foreign countries, more perhaps than in the sophisticated United States, great prestige is attributed to membership in their chambers of commerce abroad. This is so well realized that not many months ago a foreign chamber of commerce in New York received a number of complaints from various exporters abroad about a tricky unethical trade practice indulged in by a New York importer who flaunted on his letterhead the fact that he was a member of the chamber.

Membership is good reference

IT APPEARED that the New York firm had at one time, five years ago, been a member of the foreign chamber but had been dropped from the roster for good and sufficient reasons. The complainants stated that they had been induced to enter into negotiations with the New York firm because it was a member of the chamber. This incident also emphasizes the need of careful scrutiny of applicants for membership in a trade organization whose standing abroad is an implied recommendation of its members.

Until a few months ago there was the greatest divergence in the practices, policies and functions of foreign chambers of commerce in the United States. There was no cooperation between them except such as resulted from a casual acquaintance between two or three secretaries of as many foreign chambers.

This defect has now been remedied. At the suggestion of the New York Merchants' Association, whose foreign trade bureau, under the leadership of William H. Mahoney, is in almost daily touch with the foreign chambers of commerce in New York, a meeting was called early in 1929 and steps taken to establish the "Association of Secretaries of Foreign Chambers of Commerce in the U. S. A."

It is perhaps hoping too much that some day all the offices of foreign chambers in New York will be gathered into one foreign trade building under a general secretary who will distribute all inquiries about foreign trade reaching the Association among the respective chambers. Such a foreign trade building might become the center for America's foreign trade promotion through unofficial channels.

TRAVELS TO THE PROVING GROUNDS OF CUTLER-HAMMER EXPERIENCE

200 Tons of LIQUID STEEL

*Just a
good handful for
Modern Industry*

IN INDUSTRY today, modern electric cranes swiftly and easily move loads human hands could never carry. One man—by the effortless movement of a few control levers—makes electric motors do things a thousand men could never accomplish by the sweat of human toil. Electric motors by thus magnifying the productive ability of individual workmen have become the very backbone of Industry.

For this reason Motor Control has taken a position of extreme importance. Where one man makes electric motors do the labor of hundreds of workmen, the link between that *one* man's mind and his

Herculean electric muscles can cause waste in the same measure that it saves.

Thus with the increasing use of electric power the name Cutler-Hammer on Motor Control equipment has been of growing moment. It marks the product of specialists . . . but what is more, the product of pioneers. Cutler-Hammer Motor Control today, whether it is specially engineered for a huge crane, or if it is a simple motor starter that comes to you from a jobber's shelf has been born of long experience. Cutler-Hammer Standardized Motor Control incorporates features of safety and

dependability gleaned from many fields . . . features which prevent troubles which any narrower experience could not foresee.

Such features and the experience fathering them, have prompted leading manufacturers of motor-driven machines to incorporate Cutler-Hammer Motor Control as a guarantee of machine performance . . . farsighted motor builders to recommend Cutler-Hammer for directing and protecting the motors they build . . . and progressive electrical wholesalers to offer Cutler-Hammer Motor Control to their trade.

CUTLER-HAMMER, Inc.

Pioneer Manufacturers of Electric Control Apparatus
1251 St. Paul Avenue
MILWAUKEE • WISCONSIN

CUTLER HAMMER

The Control Equipment Good Electric Motors Deserve

(A-200)

When writing to CUTLER-HAMMER, INC. please mention Nation's Business

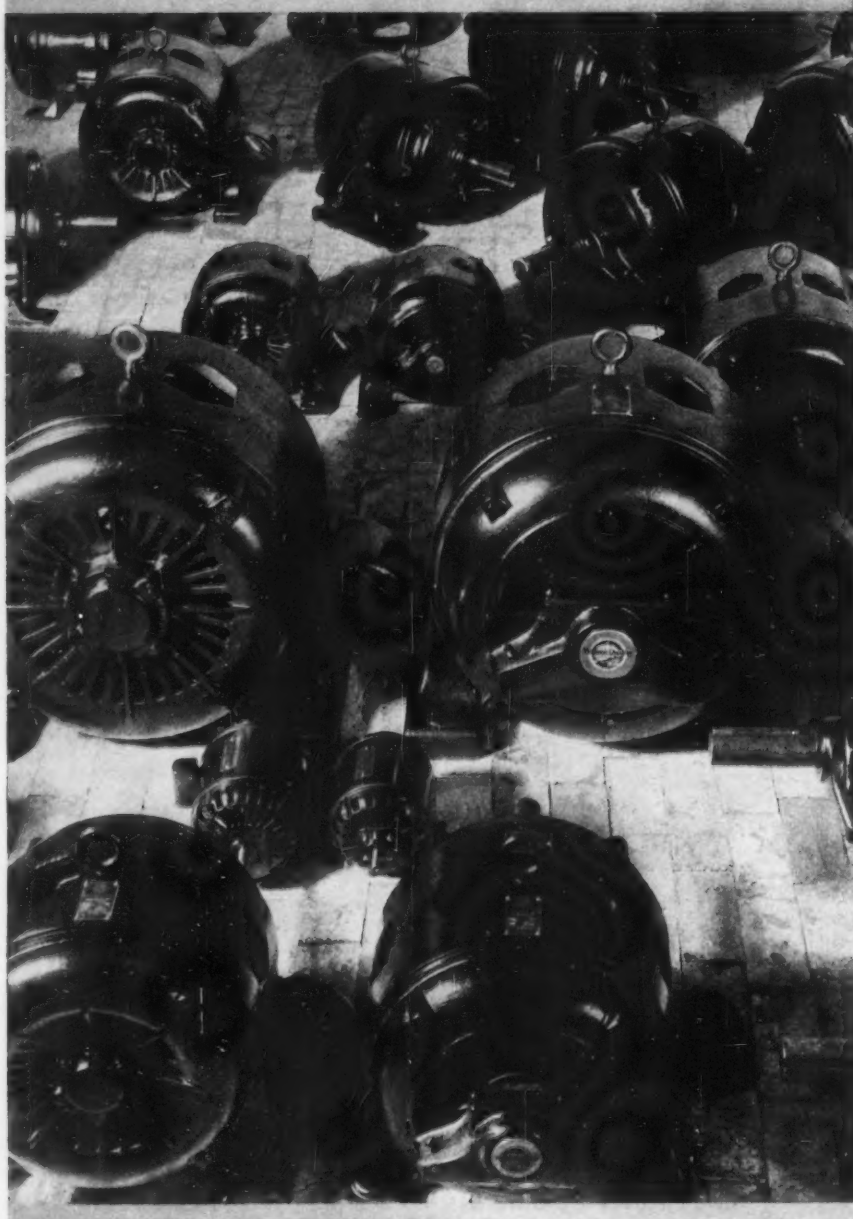


The Final Result of This Pioneering

Cutler-Hammer standardized Motor Control has features which only pioneer engineering could produce—features which only experience covering all problems of electric motor application could perfect. Thus, Cutler-Hammer "ready-to-use" equipment meets every common requirement with reserve to spare—provides for all usual motor applications the same superior performance, safety and economy for which Cutler-Hammer specially engineered Motor Control has been outstanding throughout three decades of Industry's electrification.

What About Bearings?

Ball and sleeve bearings both have advocates. Experience has proven that each type of bearing has applications where it is best. Wagner builds both... take your choice. If uncertain about which type of bearing is best for a given application, ask for Wagner experience that can be applied to your problem.



Wagner,
Quality

Consult Wagner, because Wagner builds every commercial type of a. c. motor.

Literature on Request

WAGNER ELECTRIC CORPORATION

6400 Plymouth Ave., St. Louis

Sales and Service in 25 Cities

PRODUCTS . . . FANS; DESK WALL, CEILING
TRANSFORMERS; POWER, DISTRIBUTION, INSTRUMENT
MOTORS; SINGLE-PHASE POLYPHASE, DIRECT CURRENT

Transportation Is Conference Theme

THE systematic development of the airplane and automobile as transportation agencies will be considered at eight regional meetings to be held this winter under the auspices of the United States Chamber of Commerce.

Southern conferences will be held at Atlanta and Dallas in early November. A western conference is scheduled for Portland, Ore., just preceding the Western Divisional Meeting of the National Chamber December 8 and 9 while conferences in the North Atlantic, middle western and mountain states will be held at dates not yet definitely decided.

The conferences were recommended by the Transportation and Communication Department Committee and sanctioned by the Board of the National Chamber in response to numerous requests from local commercial organizations. They are designed primarily to enable member organizations to approach their regional motor and air traffic problems with a national viewpoint, that community efforts and regulations may be uniform.

The National Conference on Street and Highway Safety, in which the National Chamber took an active part, laid the basis for further effort toward traffic betterment. The general plan includes the revised uniform state vehicle code, model municipal traffic ordinance, standard street signs, signals and markings and measures for the relief of traffic congestion.

To consider aviation

INCREASING use of aviation has also brought to communities practical questions as to the direction which should be given to further development. Many member organizations of the National Chamber are now dealing with questions growing out of airways and airports, airport administration and management, airport enabling legislation, uniform legislation governing inspection of planes and licensing of pilots.

The meetings will give opportunity to bring out experience and views supplementing the Chamber of Commerce Air Manual recently prepared by the Committee on Aeronautics.

Members of this committee will attend the various conferences and the Aeronautical Chamber of Commerce is also cooperating.

Yes! We are Civic-Minded in the SAN FRANCISCO METROPOLITAN BAY AREA



Few communities in the world have been favored with the balanced prosperity which has been enjoyed continuously in the San Francisco Metropolitan Bay Area. We who live, work, and play in this nature-favored section gain the fullest appreciation of our good fortune.

Visitors from the East and Middle West—people in the best position to compare—are quick to comment upon:

1. The healthy condition of employment here.

2. The unusual percentage of home-owners and car-owners.

3. Delightful climate the year round.

For Industries:

This section offers—abundance of electric power and Natural Gas at low rates; unusually low labor turn-over due to large

home ownership; all year working climate; waterfront and other acreage at low cost; wide variety and abundance of raw materials; transportation facilities and a receptive local and export market.

For information regarding opportunities for Industries, write:



PACIFIC GAS AND ELECTRIC COMPANY

P.G. and E.

General Office: 245 Market Street, San Francisco, California
Serving 362 communities in Northern and Central California

Ind. 5-30

NEWS OF ORGANIZED BUSINESS

By WILLARD L. HAMMER

Annual Meeting

THE Chamber of Commerce of the United States of America will hold its nineteenth annual meeting in Atlantic City, April 28, to May 1, 1931, inclusive. For several years the meetings have been held in Washington.

The Biennial Congress of the International Chamber of Commerce will be held in Washington May 4 to 9, 1931.

Vocational Guidance

SEVERAL years ago a Waterloo, Iowa, contractor, who is also a member of the Waterloo Rotary Club and a past president of the West Waterloo school board, was sought out by a youngster just graduating from high school who wished to talk over the possibilities of the contracting business. The contractor, glad of the opportunity to be of service to the boy, outlined to him the problems to be met in the work, the qualifications needed and such other pertinent facts which might help the graduate.

That interview between man and boy was the beginning of a service which Waterloo Rotarians are providing for high school graduates. It has been developed to a point where hundreds of boys are receiving vocational guidance in the Waterloo high schools now and impressive future results are expected.

Near the end of each school year a questionnaire is given each high school senior boy. In this he fills out answers to questions pertaining to his course of studies, his father's occupation, what business or profession the boy prefers and why he prefers it.

The boys' work committee of the Rotary Club then is given the questionnaires, along with other questionnaires filled out by various club members in which they have outlined their business or profession, told something of their education, and given a brief history of their professional careers.

The committee then arranges interviews between boys and men interested in the same line of work. The business or profession is discussed in all its

phases. Frequently after the interview the boy changes his mind and decides he does not wish to take up the life work he had contemplated.

Right there is one of the big merits of the plan, as it saves considerable time, trouble and money if the boy is able to make this discovery early in life. Another big objective is that these interviews make the boys feel that the business men of their city have an interest in them. Often the boys are invited to come back from time to time for further interviews.

Chamber as Arbitrator

THE Chamber of Commerce of Amsterdam, N. Y. recently officiated in an arbitral capacity, the ultimate outcome of which resulted in saving for the city a successful and important industry.

A hosiery company there, announced that it intended to enlarge its plant considerably and that when completed, this enlargement would enable the plant to employ fully double its present number of workers.

This news was received favorably because it meant additional employment. The progressiveness of the hosiery firm was widely applauded.

Upon applying for a building permit, however, the hosiery officials were refused; the zoning ordinance of the city, they were told, would not permit the proposed enlargement for the reason that the plant was located in a residential zone, and that no provision had been made to place it in the light-manufacturing zone, should sufficient cause develop, when the ordinance was originally adopted. Unperturbed by this obstacle, the hosiery officials promptly

Where Business Will Meet in September

2-5	American Institute of Electrical Engineers.....	Portland, Ore.	
3-4	Southwestern Association of Nurserymen.....	Dallas, Texas	Baker Hotel
3-5	Florists' Telegraph Delivery Association.....	San Francisco	
8	American Manganese Producers Association.....	Washington, D. C.....	
9-11	American Railway Association Signal Section	Hot Springs, Ark.	Arlington Hotel
9-12	American Society of Certified Public Accountants		
9-12	Pacific Coast Gas Association.....	Denver, Colo.	Cosmopolitan Hotel
10-11	Southern Nurserymen's Association.....	Pasadena, Calif.	Huntington Hotel
10-12	American Railway Tool Foremen's Association	Norfolk, Va.	Sherman Hotel
11-13	Federal Wholesale Druggists Association.....	Chicago, Ill.	
11-13	United States Fisheries Association.....	Rochester, N. Y.	Windsor Hotel
12-12	Clock Manufacturers Association of America.....	Montreal, Canada	Yale Club
14-19	American National Retail Jewelers Association	New York, N. Y.....	Pennsylvania Hotel
15	Mortgage Bankers Association of America.....	New York, N. Y.....	Statler Hotel
15-17	Morris Plan Bankers Association	Detroit, Mich.	
15-17	Northwestern Hotel Association.....	Poland Springs, Me.....	Alex Johnson Hotel
15-19	Laundryowners National Association.....	Rapid City, S. D.....	Palmer House
15-19	National Association of Retail Druggists.....	Chicago, Ill.	Municipal Auditorium
16-17	National Publishers Association	Atlantic City, N. J.....	Skytop Lodge
16-18	Roadmasters and Maintenance of Way Association of America.....	Skytop, Pa.	
17-19	Northern Nut Growers Association.....	Chicago, Ill.	Stevens Hotel
17-20	Financial Advertisers Association.....	Cedar Rapids, Iowa.....	Montrose Hotel
22	Bakery Equipment Manufacturers Association	Louisville, Ky.	Brown Hotel
22	Drop Forge Supply Association.....	Atlantic City, N. J.....	
22-25	American Bakers Association.....	Chicago, Ill.	Municipal Auditorium
22-25	National Association of Wholesale Pie Bakers	Atlantic City, N. J.....	Stevens Hotel
22-26	American Society for Steel Treating.....	Atlantic City, N. J.....	
22-26	Master Horsehoers and Blacksmiths National Protective Association of America.....	Chicago, Ill.	
22-27	Allied Trades of the Baking Industry.....	Milwaukee, Wis.	Municipal Auditorium
22-27	American Institute of Mining and Metallurgical Engineers	Atlantic City, N. J.....	
24-26	American Association of Personal Finance Companies	Chicago, Ill.	Stevens Hotel
25	Shipowners' Association of the Pacific Coast.....	Memphis, Tenn.	
25-27	American Trade Association Executives.....	San Francisco, Calif.	Clifton House
25-27	National Electric Light Association.....	Niagara Falls, Canada	French Lick Springs Hotel
28-30	Mail Advertising Service Association.....	French Lick, Ind.	Hotel Pfister
29-Oct. 2	American Bankers Association.....	Milwaukee, Wis.	Hotel Cleveland
29-Oct. 2	International Association of Casualty and Surety Underwriters.....	Cleveland, Ohio	
29-Oct. 4	American Life Convention.....	White Sulphur Springs, W. Va.	Greenbrier Hotel
29-Oct. 4	National Safety Council.....	Chicago, Ill.	Stevens Penn Hotel
30	Alabama-Florida Turpentine Producers Association	Pittsburgh, Pa.	
30-Oct. 3	National Selected Morticians.....	Pensacola, Fla.	Carlos Hotel
		Colorado Springs, Colo.	Broadmoor Hotel



The MOUSE-TRAP MAKER *comes out of the woods*

BUSINESS hadn't been so good with the old mouse-trap maker. He still made the finest mousetraps. Yet fewer and fewer villagers followed the proverbial "beaten path" that led through the woods to his door.

"Why don't you move?" the village wise man asked. "Why not locate your plant nearer its market? You may pay a little more for your raw material, but you'll pay a lot less to market your finished goods." Modern science now considers seven factors in locating a plant. At least two of these point unmistakably to New York State. They are:

1. Lower cost of distribution
2. Lower cost of electricity

Cost of distribution is industry's chief problem today. If you locate in New York

State, you are at the center of 49% of the country's people and 55% of its wealth. You have the foreign markets of the world at your back gate.

Your electric power in Niagara Hudson territory costs you far less than the nation's average. A comparison of electric rates has influenced many industries to locate in New York State.

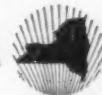
Here labor is skilled, substantial and plentiful. Raw materials are easily available. Capital is abundant and climate is favorable.

If you are a manufacturer interested in locating your plant on a modern scientific fact basis, send for

the new 28-page illustrated booklet, "New York, the Great Industrial State." It is sent without a personal follow-up. Address Niagara Hudson Power Corporation, Industrial Development Bureau, Albany, New York.

Or, perhaps you may want to go further and study the question in terms of your own costs. For such an analysis, the trained services of the Bureau's engineers are yours for the asking. These men will rest their case on the facts.

NIAGARA HUDSON



Hear Niagara Hudson broadcast fascinating stories of New York State.
Every Thursday night 7:30-8:00 (Eastern Daylight Time).
WEAF, WGR, WGY, WSYR.

Write for our new book, describing the industrial territory served by Niagara Hudson Power Corporation, including among others the localities listed below:

ALBANY	CANAJOHARIE	FAIRPORT	GREEN ISLAND	KENMORE	NEW YORK MILLS	ROME	TONAWANDA
ALBION	CANASTOTA	FALCONER	GREENWICH	LACKAWANNA	NIAGARA FALLS	ROTTERDAM	TROY
AMSTERDAM	CANTON	FORT EDWARD	HAMBURG	LANCASTER	N. TONAWANDA	ST. JOHNSVILLE	UTICA
ANTWERP	CARTHAGE	FORT PLAIN	HERKIMER	LERROY	NORWOOD	SALAMANCA	WATERFORD
BALDWINVILLE	COBLESKILL	FRANKFORT	HOMER	LITTLE FALLS	OGDENSBURG	SARATOGA SPRINGS	WATERTOWN
BALLSTON	CORTLAND	FREDONIA	HUDSON	LOWVILLE	OLEAN	SCHENECTADY	WATERVLIET
BATAVIA	COHOES	GENESEO	HUDSON FALLS	LYONS	ONEIDA	SCOTIA	WELLSVILLE
BOONVILLE	DEPEW	GLENS FALLS	ILION	MALONE	OSWEGO	SKANEATELES	WESTFIELD
BROCKPORT	DOLGEVILLE	GLOVERSVILLE	JAMESTOWN	MASSENA	POTSDAM	SOLVAY	WHITEHALL
BUFFALO	DUNKIRK	GOUVERNEUR	JOHNSTOWN	MEDINA	PULASKI	SYRACUSE	WHITESBORO
	E. SYRACUSE	GOWANDA	MOHAWK	RENSSELAER		WILLIAMSVILLE	

When writing to NIAGARA HUDSON POWER CORPORATION please mention Nation's Business

Miles and Miles of Yellow Strand

This is the age of big projects—the deepening of waterways; the digging of great canals for transportation and drainage; the erection of mammoth dams to impound water for irrigation and power.

It is no mere coincidence that miles and miles of Yellow Strand Wire Rope are constantly employed in these enormous construction projects. The excavating and handling machinery are of the largest capacities obtainable—and each year finds them larger, putting ever increasing strains on their wire ropes. Only such rope as Yellow Strand can stand the gaff—economically.

Yellow Strand is designed and made especially for heavy duty. Its wire is drawn to our special specifications from steel of Swedish origin. And over fifty years of wire rope making experience go into its manufacture.

One strand of yellow is its *visible* difference from all other ropes and enables you to *see* that you get Yellow Strand when you specify it.

Broderick & Bascom Rope Company St. Louis, Mo.

Eastern Office and Warehouse: 68 Washington Street, New York, N. Y.
Southern Warehouse: Houston, Texas
Western Offices: Seattle and Portland, Ore. *Factories:* St. Louis and Seattle
Manufacturers of nothing but wire rope for over half a century.

Yellow Strand WIRE ROPE



Broderick & Bascom Aerial Wire Rope Tramways are the economical solution of many a haulage problem.

Write for catalog.

made application to the Common Council, the city's governing body, to have the ordinance changed so as to facilitate the granting of the permit.

In the meantime, to further complicate matters, a petition was circulated opposing the firm's projected move, a petition rather heavily signed and complaining that smoke from the plant was a nuisance, the machinery noisy, and various other petty objections.

The situation daily became more serious. The complaining residents steadfastly refused to compromise; and more and more names were finding their way on the petition. Equally firm and unwilling to compromise were the hosiery officials, who stated emphatically that unless the petition were quashed and the ordinance changed to their advantage, they would certainly accept an offer—it was very attractive and it actually existed—to locate out of town.

Then the industrial committee of the Amsterdam Chamber and the majority of the aldermanic body got into action. First, the complaining residents and the hosiery men were interviewed individually, then jointly, and both times they were sounded out thoroughly and their opinions carefully noted; then, the zoning ordinance and various legal aspects of the situation were gone into extensively—also impartially—by the Chamberites and the aldermen; and finally the whole matter was aired at a public meeting, during which the Chamberites presented their views why the hosiery plant's permit should be granted, the complaining residents why it should be refused.

The result, due to a great extent to the Chamber's arbitrating ability, was that shortly afterwards the petition was suddenly quashed and the aldermen unanimously voted to amend the zoning law and so grant the hosiery firm their permit.

This is but another instance where a local chamber, because it believes that it should take as much time to foster its present industries as to attempt constantly to attract others, has lived up to its trust.

A Union of Civic Organizations

THE General Council on Civic Needs, formed some months ago by the St. Louis

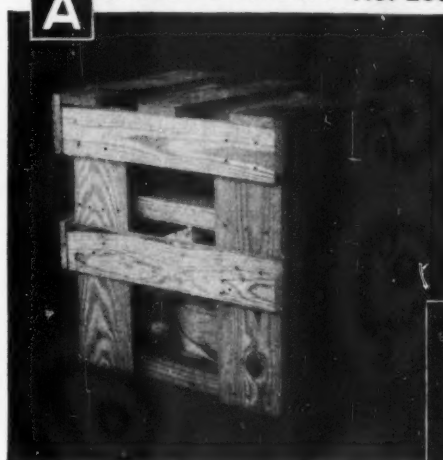
Chamber of Commerce, provides an excellent example of the growing trend toward cooperation of the multifarious civic organizations. Organization has as its sole purpose the doing of something that cannot be done by in-

LOWER CRATING COSTS FOLLOW LABORATORY ANALYSIS

If you believe there is room for improvement in your crating, the facilities of the Weyerhaeuser Laboratory at Cloquet — headquarters for the creation of scientific crate design and assembly — are available. If you are satisfied with your crate *as is*, Weyerhaeuser can put at your disposal its extensive resources and all of the economies resulting from specialized manufacturing.

Our Crating Engineers continually are eliminating wastes in crating methods. A Weyerhaeuser Cut-to-Size Crate specifically meets the individual shipping requirements of your product. Its design calls for the minimum amount of lumber required — wood of the right kind, the exact size, the correct weight, and a specific number of pieces. Its assembly is orderly, simple and fast. It has adequate strength and rigidity for protection. It is

A CRATE HISTORY No. 233

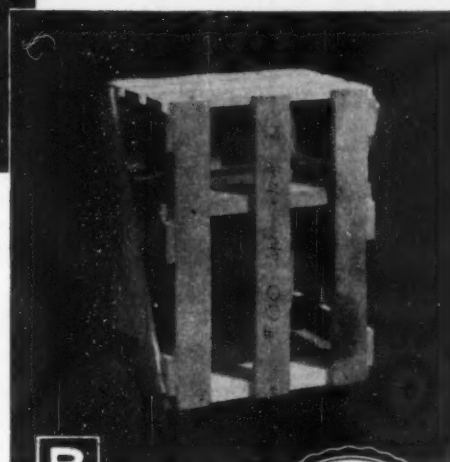


As redesigned by Weyerhaeuser Crating Engineers, Crate "B" meets all the requirements of strength, rigidity, fast, easy assembly and ultimate low cost. Savings of 47% in lumber and 58% in weight were effected and the design so simplified that the labor cost of assembly was materially reduced. Light weight, non-splitting lumber, properly braced and blocked, provides adequate protection.

neat in appearance. It is designed, without waste, to achieve positive and substantial reductions in cost — both in labor and shipping weights. Costly damage claims are reduced to a minimum.

Our district representative will gladly confer with you regarding your definite needs — either on your present requirements for cut-to-size

As originally shipped to our Laboratory at Cloquet, Crate "A" although made of cut-to-size material, was faulty in design and construction. The lumber used was too heavy and wrong in size; the bracing was improperly placed to secure uniform distribution of the weight of the product. Cost of materials and assembly was unnecessarily high and there was danger of breakage in transit.



The Weyerhaeuser Seal is a symbol of demonstrated worth! It identifies only the crate that has undergone scientific study and Laboratory Analysis — the crate that has been proven to be soundly designed and properly assembled. It is the mark of approval of the Weyerhaeuser Crating Engineer.



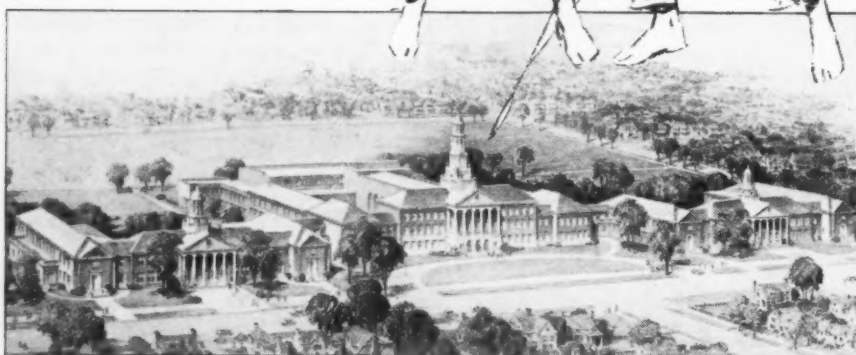
crates or on cost-saving Laboratory Analysis of your shipping methods.

For the manufacturer who is unable to take advantage of the economies of cut-to-size crates, Weyerhaeuser offers a variety of ideal Light Weight Crating Woods in standard grades and sizes. These woods are light weight, non-splitting and of ample strength to assure adequate protection, making possible unusual savings in both labor and freight costs.

Crating Sales Division
DEPARTMENT 41

WEYERHAEUSER SALES COMPANY
307 NORTH MICHIGAN AVENUE CHICAGO, ILLINOIS

wouldn't
their eyes
POP!



Trenton Central Senior High School, Trenton, N. J. Architects: Ernest Sibley and Lawrence C. Licht, Palisade, N. J. Engineers: Runyon & Carey, Newark, N. J. General Contractor: Karno-Smith Construction Co., Trenton, N. J. Heating & Ventilating Contractors: Murland Engineering Co., New York City

THOSE barefoot youngsters who went to the "little schoolhouse on the hill"—whose gym was the barn—who did their "jack-knives" in the old swimmin' hole! How their eyes would pop—if they could see the world's largest high school at Trenton, New Jersey! "Gee, *some* school!" you can hear them gasp in amazement. Over 13 acres of stately buildings... a 30 acre campus... accommodations for 3000 pupils... the last word in gyms and swimming pools... a restaurant... and many other features!

And, of course, the most modern of ventilating systems... every room flooded with pure, invigorating air supplied by Sturtevant Ventilating Fans. It is significant that Sturtevant Fans were the choice not only for this, the world's largest high school, but also for the world's largest office building, the great 85-story Empire State now being erected in New York City.

B. F. Sturtevant Company: Main Offices at Hyde Park, Boston, Mass., Chicago, San Francisco; Branch offices in principal cities.

Sturtevant
REG. U.S. PAT. OFF.
HEATING-VENTILATING AND
POWER PLANT EQUIPMENT

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dividuals working without coordination.

Then, obviously civic organizations are good. But if 150 or 200 organizations are formed to solve community problems, there is a state of organization that rightly may be termed "over-organization." This condition is present in many towns and cities. St. Louis had many such organizations; the Chamber of Commerce united them by the formation of a "General Council on Civic Needs," composed of representatives from the various civic and commercial groups within the city. Philadelphia had more than a hundred organizations and united most of them by the formation of the Greater Philadelphia Committee.

The St. Louis Council on Civic Needs grew out of a series of meetings, sponsored by the Chamber of Commerce, for the general purpose of unifying the aims of the civic organizations. At the concluding meeting it was voted to form a permanent organization, with each member association naming two delegates to the Council. The Chamber offered secretarial services and the chairman of the civic development committee of the Chamber was elected head of the Council.

Functions of the Council generally are to study and analyze all of the needs presented at the meetings and to use them as the basis for any bond-issue campaigns that may be decided upon. The Council also is to assist in speeding up civic development work already under way.

Tulsa Safety Council

MILLIONS of dollars are expended annually in the preservation of human life. These large sums are not spent only for the saving of human lives but for the prevention of accidents.

Tulsa, Oklahoma, has started to educate the people to safety, and therefore has founded an organization known as the Tulsa Safety Council.

The first major objective on the council's program was reached recently with the announcement that definite arrangements had been completed for a special course in safety engineering at the University of Tulsa. This is the first time that such a course, allowing credits, has been made a part of the regular curricular work of a university.

Officials are mapping out a systematized course of study which will be made a part of the college of petroleum engineering.

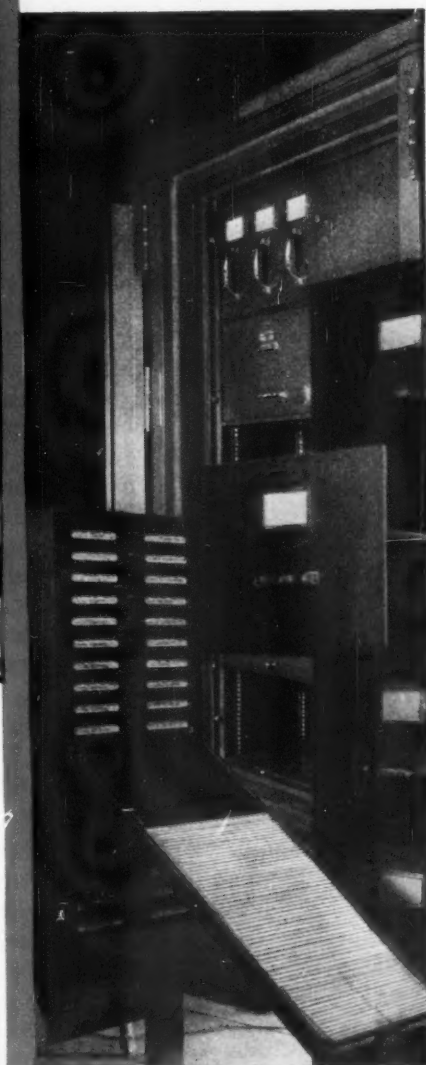
Classes have been started and students have heard lectures on many safety features.

THERE are two ways to buy business records... One is to call in competing salesmen and get bids on "standard" files or card systems or ledger books . . . and then to work them into a "system" as best you can. The other is to call in a Remington Rand man . . . state your problem . . . and leave it to him and his staff of analysts to "tailor-make" a system for your individual needs . . . install it . . . prove it . . . and deliver it ready for use. Ask about the new Remington Rand Budget Buying Plan. Remington Rand Business Service, Inc., Executive offices, Buffalo, N. Y. Sales offices in all leading cities.

The reign of the Old "Stock" File and Ledger book is over... Remington Rand is showing a better way.



"BRECKSKIVICZ! HOW DO YOU SPELL IT?" . . . Mistakes were happening with alarming frequency at the paymaster's window of a great radio plant. A Remington Rand man located the trouble. The employment records were a jumble of tongue-twisting foreign names. A Russel Soundex system was installed . . . indexing each employee's name *phonetically*. And the following pay day went off without a mistake . . . and the next . . . and the next.



A few of Remington Rand's 1,200 items of Systems equipment . . . Safe Cabinet . . . Kardex . . . and Library Bureau "Aristocrat" letter file.

Remington Rand

SYSTEMS DIVISION

RAND AND KARDEX *Visible Records* . . . LIBRARY BUREAU *Filing Systems and Indexing Service* . . . KALAMAZOO AND BAKER-VAWTER *Loose-Leaf Equipment* SAFE CABINET *Fire Protection Devices* (SAFE-CABINET, SAFE-FILE, SAFE-KARDEX, etc.) . . . INDEX VISIBLE

WHAT I'VE BEEN READING

By WILLIAM FEATHER

President, the William Feather Company, Cleveland, Printers and Publishers

AMONG books received which may be classed as business tools are the following: "Business Speeches by Business Men" by William Phillips Sandford and Willard Hayes Yeager. The speeches are well selected and well edited. Among the noted men whose speeches appear are Herbert Hoover, George B. Cortelyou, Harry E. Guggenheim, Haley Fiske, Bruce Barton, Francis P. Garvan, E. St. Elmo Lewis, Charles M. Schwab, Elihu Root, Gen. J. G. Harbord and Charles Evans Hughes.

"Radio and Its Future,"¹ edited by Martin Codel. This is a collection of articles by leading members of the radio industry.

"Watch Your Selling Dollar"² by Archibald M. Crossley is a modernistic approach to the selling problem. It is a guide to the scientific study of selling. It is highly recommended to sales executives.

"Operating Aspects of Industrial Mergers"³ by William R. Basset is a review of mergers from the point of view of the practical man. Shall the presidents, vice presidents, nephews, nieces, and sons-in-law be kept on the pay roll or shall there be a housecleaning? Sometimes one plan succeeds, sometimes another. Merging isn't as simple as the usual newspaper account makes it appear.

"Credit—the Magic Coin"⁴ by Maxwell Droke is a good "tool" book for a credit man or a small business man who must look after his own collections. It is well written and contains good ad-

vice. Many samples of effective collection letters are printed.

"The Economics of Branch Banking"⁵ by Bernhard Ostrolenk is an intelligent review of what has been happening to banking in the United States in the last few decades. The author concludes that economic circumstances will compel us to liberalize our laws to permit the proper development of branch banks. Such a change will mark the passing of the unique and distinctly American institution, the unit bank. In its place we shall have branches of powerful central institutions.

"Sentimentally," says the author, "one must regret the passing of the unit bank, but the course seems inevitable, and delay will retard and distort normal banking development, but cannot check the substitution of regionally widespread banking systems for the unit bank."

♦

MICHAEL PUPIN, author of "From Immigrant to Inventor," has written a small book entitled "Romance of the Machine,"⁶ which is an effective answer to those critics who sneer at Americanism and say that this country is sunk in sordid materialism.

Professor Pupin, chief of the department of electro-mechanics at Columbia University since 1901, patiently and beautifully traces the history of American idealism, and shows that the machine was essential to the development of our vast territory as an economic unit.

Washington and Lincoln were friendly toward science and the machine, because the foresight of both told them

that every agency must be encouraged that promised to bind the union. The contribution of the steam engine, the telephone, the automobile, the radio, and the airplane to the union of the States is incalculable.

Fifty years ago a boiler stoker said to Pupin:

"The English made us write the Declaration of Independence, and they gave us the steam engine with which we made our independence good."

Only realists, who understand that people are united by economic considerations rather than by sentiment, will appreciate the significance of the humble toiler's comment.

The aesthete, says Pupin, who avoids employing machines or even speaking of them, refuses to bow to the research and ingenuity that have made possible long-distance telephone communication. He longs for the simplicity of the classical civilization, and considers the employment of a great multiplicity of machines an artificiality which makes our present civilization an artificiality, and therefore objectionable.

"But let him," cautions Professor Pupin, "remember that an incomparably larger number of machines are set in motion whenever a message of our sensations is transmitted from a part of our body to the brain."

The concept that the universe and all life on this planet operate on the principle of the machine is the kernel of Professor Pupin's thesis. When one condemns the machine one condemns Nature herself. In developing the machine man has merely been doing what Nature by example has been urging him to do.

Professor Pupin's deep love of America makes this one of the finest essays I have read. Pupin arrived in this country at the age of 17, a runaway from the Serbian Army, penniless and unable to speak English. He worked in a cracker factory, an iron foundry, a laundry, became a clerk in a store, and then attended Cooper Union at night.

Having saved \$311 he went to Co-

¹Business Speeches by Business Men by William Phillips Sandford and Willard Hayes Yeager. McGraw-Hill Book Company, New York. \$5.

²Radio and Its Future by Martin Codel. Harper & Brothers, New York. \$4.

³Watch Your Selling Dollar by Archibald M. Crossley. B. C. Forbes Publishing Co., New York. \$5.

⁴Operating Aspects of Industrial Mergers by William R. Basset. Harper & Brothers, New York. \$3.

⁵Credit—the Magic Coin by Maxwell Droke. Business Letter Institute, Inc., Indianapolis. \$3.50.

⁶Economics of Branch Banking by Bernhard Ostrolenk. Harper & Brothers, New York. \$3.50.

⁷Romance of the Machine, by Michael Pupin. Charles Scribner's Sons. New York. \$1.



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EVERY resource had been exhausted. The company was face to face with adversity—sheer, stark, unavoidable adversity.

No one was to blame—there was no question of mismanagement. It was simply the result of long drawn out depression throughout the entire industry. Every one felt that the company would eventually come out—probably on top. But, in the meantime, it needed money to keep operating—cold, ready cash.

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What was the reason? The reason was that the company had for twenty-five years been a steady dividend payer. The dividends had always been moderate, and in some years had been paid, not from current earnings, but from reserves.

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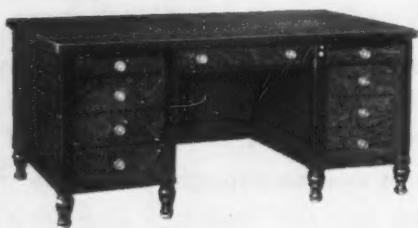
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lumbia University, but kept his job. Later he attended many other universities, and began to teach in 1889. In 1925 he was president of the American Association for the Advancement of Science.

The tribute that he pays to his adopted country reveals a masterful understanding of American traditions and ideals. His contempt for our petty critics is profound—almost profane.

ROBERT E. RAMSEY, an experienced practitioner in direct-mail advertising, is the author of several books on various phases of advertising.

His new book "Why They Buy" deals with business correspondence. It covers the usual ground of letter-writing, and concludes with what is called the master rule of master rules, which is:

Have something to write.
Write it.
Stop!

"WATCH Your Margin" is a series of letters written by an anonymous stock-market operator to his nephew.

W. E. Woodward, who writes the introduction, attests the authenticity of the manuscript. Whoever the writer may be, he has contributed mighty little to his subject. The book smells like a rank potboiler.

The uncle emerges as a smart Aleck. His advice is good, but much of it is contradictory and therefore confusing.

OF ALL the philosophers who have written on liberty and individualism Henry David Thoreau seems to me the most radical and the most practical. New books about Thoreau, with excerpts from his writings, are published with increasing frequency. The latest, "Thoreau, Philosopher of Freedom," is recommended to those who are unfamiliar with the writings of this great American.

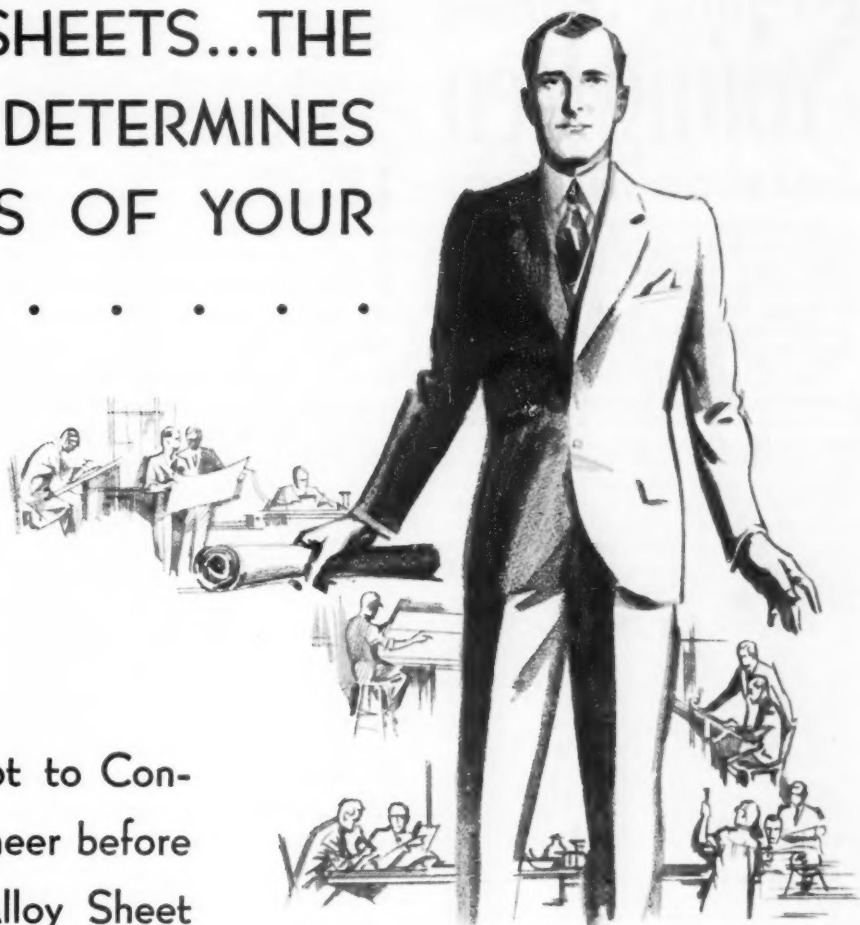
Thoreau anticipated Ghandi by two-thirds of a century. Not only did he hail the simple life but he made a demonstration of it, living for two years in a shack on Walden Pond. Because he resented certain acts of the government, he refused to pay his poll tax and was

⁸Why They Buy by Robert E. Ramsey. Better Letter Institute, Inc., Indianapolis. \$3.

⁹Watch Your Margin, anonymous with an introduction by W. E. Woodward. Horace Liveright, New York. \$2.50.

¹⁰Thoreau, Writings on Liberty, selected with an introduction by Professor James Mackaye. Vanguard Press, New York. \$3.

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You Cannot Afford Not to Consult the Newsteel Engineer before you Decide on your Alloy Sheet

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Then when we go away for a vacation, there are Faries lamps at our hotel bed-sides and desks, at the ticket offices we visit—and so on—

It doesn't make us complacent. It challenges us to keep up the good work. That slip-on shade feature is part of it. And so we are continuing to patent new features and copyright new designs. May we send you a catalog? Ask for "Business Lamp Section."



FARIES MANUFACTURING CO.
Decatur, Illinois

arrested, but was released when a friend paid the tax.

Thoreau never wrote a sentence that could not be understood. He could express big ideas in simple words. No finer prose has ever been written in America. Since "Walden" appeared, dozens of other books have been written in protest against the complexities of modern civilization. Thoreau voiced this protest so effectively that the later-day critics become juvenile by comparison.

Whether you are an anarchist, naturalist, country gentleman, or lover of good prose, you will find delight in the books of the Concord philosopher.

"Walden" and "A Week on the Concord and Merrimac Rivers" were the only books by Thoreau printed during his lifetime.

"IF YOU do that again I'll punish you!" This, and other parental edicts, are examined by Dr. Garry Myers in "The Modern Parent."

What the world needs is better parents. Children are responsive to honesty, fairness, and justice. If we gave our children the same courtesy and consideration that we extend to our casual acquaintances we should have less trouble with them.

The obvious mistakes of parents are clearly presented by Dr. Myers, who is head of the division of parental education at Cleveland College, Western Reserve University. The book abounds in concrete examples of all principles.

Thousands of parents could read it, and save themselves and their children a good deal of misery and heartaches.

IN THE gloomy days of the summer, I was attracted by the title "What's Right with America."¹² This book was written by Sisley Huddleston, an English journalist, who came here at the invitation of the Christian Science Monitor to write a series of articles on America. The book was written after the market crash of last November, so that Huddleston observed us in both our inflated and our deflated moods.

Huddleston says he could have written a readable book on what's wrong with America, but that has already been done too often by Europeans. He preferred to look for what was good. The chapters he presents are a glowing trib-

¹¹The Modern Parent, by Garry Cleveland Myers. Greenberg, New York. \$3.50.

¹²What's Right with America, by Sisley Huddleston. J. P. Lippincott Company, Philadelphia. \$2.50.

ute to American energy, intelligence, idealism and philosophy.

He likes our democracy, our freedom from class-consciousness, our boldness, our optimism, our generosity, our thirst for knowledge, our attack on alcoholism, our high wages, and our wide distribution of prosperity.

He admires New York, Philadelphia, Boston, Washington, Chicago, and Detroit, to each of which he devoted a chapter. He likes the squirrels and trees in Boston, the Georgia architecture in Philadelphia, the skyscrapers in New York, the courtesy in Washington, the aggressiveness of Chicago, and the industrial democracy in Detroit.

Rarely has the American idea of industry been so well expressed as in the following paragraph:

"The key-note to American prosperity is simply this: that prosperity is only prosperity if it is shared by the whole people. A nation is not prosperous if its workers cannot buy the goods they themselves produce; if profits merely go into the pockets of a few privileged men. It is beside the point to allege that there is plenty of poverty in America, that there are greedy employers, and money-grabbing financiers. Doubtless there are. Ideals are not attained in a few years. But I affirm that there is throughout America an entirely new attitude towards social and industrial problems, and that, perhaps for the first time in the history of the world—certainly for the first time in the history of the modern industrial world—there is a general recognition that prosperity depends on the well-being and wealth of the worker; that the function of the employer is to make it possible for the worker to purchase freely; and that the secret of national success is not large profits and low wages but low costs and high wages."

I recommend this book to those who need to have their faith in America restored. Huddleston is cultured, urbane, traveled, sophisticated. He has sensed the real spirit of our country.

One chapter in particular must be mentioned before I conclude this review. It is called "A Culinary Interlude."

"I had been warned that although American cooking was plain and simple it had no remarkable qualities," says the author. "But I found it excellent." Fruit cocktail, clam chowder, pan-fried oysters on toast, roast pork with apple sauce, candied sweet potatoes, apple pie, grilled lobsters, fried chicken, beef hash, Virginia ham, Boston beans, and Mount Vernon turkey won his ecstatic approval.

U. S. Cuban Postal Convention Signed

THE NEW parcel post exchange between Cuba and the United States becomes effective September 1. The legislation which enabled the signing of the parcel post convention by Postmaster-General Brown and Señor Jose A. Montalvo, director of Posts of the Republic of Cuba was carried in a provision of the Tariff Act of 1930.

This provision repeals an old statute dating back to 1866 which prohibited the importation of cigars and cigarettes in packages of less than 3,000. The old law kept Cuba's great tobacco industry from entering the United States effectively. Señor Montalvo says:

"It is my understanding that the principles of equity and justice are eternal among nations as well as individuals—and the final assertion of these principles, coupled with good faith, good will and cooperation, is what has made possible the signing of the convention between your country and mine.

"In spite of criticisms, mostly originating in ignorance, I have always believed in the inherent moral greatness of the United States. This is an instance of such greatness, for you have not failed to recognize our rights to negotiate a convention with mutual reciprocal advantages.

Better commercial relations

"WE could not be satisfied with the expansion of commercial relations if these contacts failed to develop a better understanding and a more comprehensive and sympathetic view of the lives and problems of our peoples. We need the clear analysis of facts, the intellectual grasp, the open mind with its scientific method and unbiased conclusions; but we wish more than intellectual appreciation. Understanding is of the heart. There must be the sympathetic interest which ripens quickly into esteem and affection.

"There is no guarantee of friendship in disregard of differences. However noteworthy the varieties of our particular environments, our resemblances are more fundamental than our differences, and even our problems have many elements in common. Underneath the superficial contrasts there is the bond of fellowship between democratic peoples, in their long quest of solidarity, efficiency and equal justice."

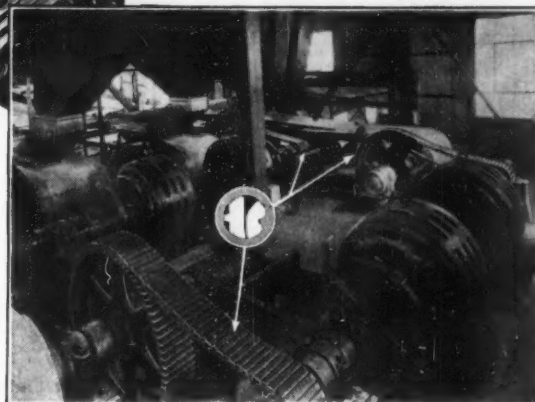
33



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Star Mach. Co.
ST. LOUIS.....MISSOURI
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The New Cooperation in Industry

By CHARLES F. LENDER

Division of Charities, City of Columbus, Ohio

THE rapid development of specialized charitable agencies must be of primary interest to the business world.

Realizing the community's responsibility for each unit of its population, and the particular responsibility laid on governing bodies for the safety and well-being of the electorate, our city councils appropriate money to relieve distress. Community chests supplement this relief with services which city governments do not feel authorized to pay for with tax money.

The most puzzling type of indigent at present is the unemployed group. Industrial leaders, social workers, professors of economics, are attempting to solve the puzzle. Accompanying a great variety of theories as to cause, effect and remedy, is the alarming increase of poverty through unemployment.

The dole system of England offers much food for thought by those administering public charity funds. In England large numbers of men willingly desert the ranks of workers for the army of the dole. When men who have long been compelled to accept charity are offered work, they turn away with the question, "Why work for what the Government gives for nothing?"

After learning of this situation, we are forced to compare the dole system with certain phases of poor relief in our own cities. The effects of England's "dole" and our "charity" are very similar.

As we use the dole

A MAN in Cleveland, St. Louis, or Denver loses his job. He soon exhausts his small surplus, goes into debt, and finally has to pocket his pride and ask relief. Futile tramps, day after day, seeking work sap his ambition. Continuous acceptance of free food, fuel, clothing and shelter for himself and his family robs him in a measure of his self-respect.

The first noticeable effect of a long enforced leaning on charity is a certain boldness when asking for aid. Following this is a less obvious effect, an unhealthy attitude toward work. The man seems

just as willing to have his family cared for as to supply this care by his own effort. How to distribute the necessities of life to the families of normal, jobless men, without "pauperizing" them is one of the chief concerns of those who direct the cities' benevolence.

Columbus is trying to avoid this metamorphosis of good workers into willing drones by employing charity cases on public work. Men who have been out of work for some time are selected and sent to that division of the department of service calling for men. Of course, city work is not sufficient in volume or duration to care for the entire charity load. It helps, however.

Floating population needs charity

ONE factor which makes for family distress is the floating element which hops from city to city at the least show of industrial activity. One of Columbus' large employers' associations has agreed to limit its intake of workers to Columbus residents with families.

Those who operate relief agencies know what lies in store for that community which allows its poor to go hungry, cold and shelterless. Begging from house to house is the least evil to be expected. Looting of homes and stores, communistic agitation, even mob violence, are possibilities.

The second outstanding type of indigent does not provide an overwhelmingly large portion of a city's charity cases but it includes the most persistent. Defectives, physical and mental, make up this group.

In my office is a chart tracing the development of a group of 300 related families through six generations. This entire clan is decidedly unfit.

What has this tribe of "undermen" cost Columbus business and industry? Can the merchants, landlords and doctors estimate the total of their unpaid accounts? Can factory owners pool their losses due to wasted time, inefficiency, spoiled material, accident compensation?

With this degenerate strain, charity will have to cope until legislation provides for the sterilization of defectives. For the average family of the defective

is large. Free medical attention has reduced infant mortality in his ranks, while ever ready relief assures him of survival.

It is difficult to place responsibility for indigents where it rightfully belongs. State laws and "gentlemen's agreements" between agencies require that "legal residence" be determined by an admission from someone on the receiving end of the line before families may be returned to their homes in other counties or states. When legal residence has been established the families are forwarded at charity rates (half-fare).

What is probably a unique set-up in the way of relief organizations obtains in Columbus. The City Division of Charity, financed by taxes and operated under the supervision of the Safety Department, shares its offices with the Family Bureau, supported by the Community Chest. Both the Safety Director and the Division Superintendent are on the Board of the private agency.

Cooperation brings economy

ORIGINALLY the city staff was directed to administer relief, leaving the rehabilitation service to its sister organization. Economy of operation soon suggested that visitors of each organization do both types of work. The city was divided into districts and each district placed under the care of one visitor who gives all the relief and does all the "casework" in that district. This arrangement has proven eminently successful.

To begin with, each department head acts as a check against the other. To live in amity they must give and take, both in the matter of policy and in case treatment.

Should the private agency head decide that visitors are getting too "hard-boiled" in handling individuals or families, the matter is promptly called up for discussion. If the public agency head finds there is a tendency to provide too lavishly for "clients" this is discussed. Thus the clients are assured of humane treatment, the taxpayers of economy.

The city budget is the larger. It goes mainly for the bread and butter type of

relief, by far the heaviest item of the total bill. The Community Chest budget is spent for things needed by distressed families which cannot properly be purchased at public expense.

Though relief ranks foremost in the minds of those not thoroughly acquainted with charity work, rehabilitation is the thing the average destitute family needs most. Rehabilitation saves the taxpayer money and stretches the Community Chest subscriptions farther. Relief may easily become continuous, either for the present family or for their descendants. Rehabilitation may consist of one kind of service, the getting of a job, or it may encompass a dozen angles of human life adjustments.

A trained visitor enters a home and sees the need for emergency relief. The larder and the coal bin are empty; an eviction tag hangs on the door; the gas has been turned off. Her first duty is to meet these dire needs. This done, she settles down to business.

First, a complete roster of the family, including living relatives, is obtained and the case record opened. Later the case will be "cleared" through the central registration bureau to prevent duplication of effort. Family health is next investigated. The man has "spells." Before the family can be started on the upward road, his health must be restored. The nursing association is notified and a doctor is sent to prescribe treatment.

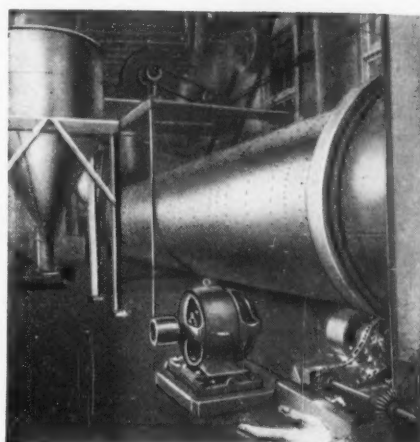
Receivership to help credit

DEBTS are listed and a trusteeship proposed to stave off garnishees and satisfy creditors. When the man is discharged from the hospital this arrangement will be put into effect. Relatives are notified and, when possible, a part or all of the load shifted to them.

Much thought has been given to the "crime wave." If it be true that "crime thrives on bad contacts and environment," it is obviously the concern of every community to maintain a well manned, fully budgeted organization to remedy these bad contacts and environments. If it be true that "unless we provide a wholesome environment for the fit, lapses into unfitness are sure to recur" our cities must attend to this important item of city housekeeping as a preventive as well as a remedial measure.

Any number of acute conditions and potent reasons demand that the business world provide carefully set up public relief organizations, to marshal the country's resources to aid the mentally, physically and financially distressed.

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43% in fuel
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**"It paid
for itself in
18 months"**



The specific economies quoted above are not taken from an isolated case, but are typical of the savings that Louisville Dryers are effecting in fuel, power, floor space and other ways for more than a thousand plants in scores of different industries. In addition to the lowered costs, which often drop 80 per cent, there is no interruption of operations, or costly trucking or re-handling. Dried materials are delivered continuously and automatically to keep pace with production. The actual economies are frequently sufficient to pay for the entire equipment in twelve to eighteen months. Scores who formerly believed a rotary dryer could not economically handle their products, are now using Louisville equipment for all drying operations.

An Expert Survey Will Obligate You In No Way

We are prepared to make a survey of your requirements, and to offer without cost to you, the written recommendations of our drying engineers for improving your equipment. Their conclusion will be presented in dollars and cents—figures that represent dependable, accurate estimates. Would it not be to your advantage right at this time to know if there is room for improvement in your drying operations, especially, when an accurate survey by competent engineers may be obtained without charge?

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- 1 Cut your fuel bill—possibly from one-third to one-half.
- 2 Cut down the number of attendants—in many instances to part time for only one.
- 3 Save 50% to 75% of valuable floor space for other purposes.
- 4 Speed up production by affording uninterrupted operation of plant, because of continuous delivery of dried material.
- 5 And—give yourself a better quality product.

"Budget Control"

What it Does and How to Do it

This booklet sets forth—

1. The reasons for a budget in business.
2. How each part of it should be prepared.
3. The principles of its effective operation.

Particular attention is directed to the booklet at this time, because of the peculiar importance of the budget in the control of finances and improvement of organization. The present edition is a second printing, revised and enlarged, of the original issued by Ernst & Ernst in 1925. It has forty pages with six exhibits. *Mailed on request of nearest office.*

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Trade Practices and the Law

(Continued from page 48)

education and for constructive progress in industry. It also recognizes that these conferences belong to the province of the Federal Trade Commission with whose aims it is in harmony.

Trade associations are the result of natural evolution and business necessity. The courts have recognized their legitimate functions and have fully appreciated their powerful influence in trade and industry. The Department of Justice has no point of view adverse to the proper activities of trade associations.

Perhaps it is only reasonable to expect that certain excesses of zeal are bound to occur in the experimentation with business practices which feature the evolution of the trade association. Some of these practices are unlawful because discriminatory or because they aim to monopolize channels of distribution or for other reasons. But the complaint most often made is that of price fixing and in certain quarters convincing evidence of this practice has been found.

Price-fixing is illegal

FOR many years the fixing of arbitrary prices by agreement of competitors has been viewed as contrary to sane public policy. The courts have declared it to be illegal. There is nothing vague, intangible or difficult to understand about this practice. No one can be engaged in this practice without knowing it, and no one needs a lawyer to tell him whether he is in fact fixing prices by agreements with competitors.

When individuals violate the law they must not expect to justify their illegal conduct by adopting formal resolutions or trade rules. Where these illegal practices exist the attorney general intends to check them.

But in all this there is no cause for anxiety or uncertainty in the business world. No revolutionary law policies are impending. Those who take chances are relatively few, and they should not complain of the consequences. No legal proceedings aimed at price-fixing should give the slightest concern to the business world in general.

The Anti-Trust laws are primarily aimed to protect the economic opportunity of the individual and to promote steadily rising standards of fairness and justice. All of us believe this and surely we ought to work together to realize this purpose.

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Six months after starting his first course, he asked to handle correspondence and got the job and a raise; a few months later he suggested a new sales promotion department and was given the responsibility of organizing and directing it; soon after he recommended the beginning of advertising and was given that task.

No wonder he moved up fast. Any employer would welcome and reward initiative and ability like that. Today he is the editor of his industry's magazine and an outstanding figure in that great field.

Note his own comment, "My two training courses gave me more than I could have gained through ten years of experience."

Send for the Salary-Increasing Plan That Powell Followed

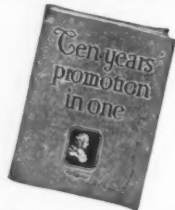
What's to prevent your equalling Powell's records—setting new records of your own? You have the same twenty-four hours in the day—the same ambition to get ahead. Turn time into cash with the LaSalle salary-increasing plan. The coupon just below this text will bring you full particulars—without the slightest obligation. Whether you adopt the plan or not, the basic information it will place in your hands, without cost, is of very real and definite value.

If a successful career is worth a 2c stamp and two minutes of your time, check the field of advancement that appeals to you, fill in your name and address, and place the coupon in the mail TODAY.

----- Find Yourself Through La Salle -----
LA SALLE EXTENSION UNIVERSITY
The World's Largest Business Training Institution
Dept. 9374-R Chicago

I should be glad to learn about your salary-increasing plan as applied to my advancement in the business field checked below.

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| <input type="checkbox"/> Business Management | <input type="checkbox"/> Effective Speaking |
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| <input type="checkbox"/> Law: Degree of LL.B. | |
| <input type="checkbox"/> Commercial Law | |
| <input type="checkbox"/> Industrial Management | |
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| <input type="checkbox"/> Personnel Management | |
| <input type="checkbox"/> Railway Accounting | |
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Name.....Age.....

Present Position.....

Address.....

REPRINTS

of any article in
this issue may be
had at cost

Write
NATION'S BUSINESS
Washington, D. C.

Research Is Our Best Salesman

(Continued from page 23)

without exhausting the possibilities. In asking those questions concerning a complete product he will produce thousands more relating to assembly units and when he begins to study them he meets more questions about the individual parts from which they are constructed.

Obviously, he cannot answer all of them. No matter how good a car he may produce and how much testing he may give it, there will always be something to improve. Competition in the laboratory of the maker of parts, therefore, begins at a point beyond which it is impractical or impossible for the maker of the finished product to go. It is a competition not only to improve the performance of the final product, but also definitely a competition for lower costs, since the improved design is generally a step toward simplicity and therefore lends itself to manufacturing economies.

Changes foreseen by research

IT IS common knowledge among business men that with our present development of management and internal control, few enterprises lose volume or fail for reasons arising within their own organizations. The danger lies in external factors over which the management has no direct control. Therefore, it follows that progress and expansion as well as survival depend on the extent to which change is anticipated. Change, in the sense of improvement, is the chief function of a research laboratory keyed to sales.

In our own experience, the effect of such a research program is to set up what amounts to control of the external factors. It produces internal economies by its influence on these external factors. This influence becomes its objective, whereas it is only a by-product in a laboratory geared to production alone. Thereby it pays for itself in immediate savings. It pays again by making it possible to retain present customers, and in addition it gives the sales organization material far enough ahead of competition to make healthy growth and expansion inevitable, other things being equal.

This method of doing business likewise influences the perspective of the sales organization. The salesman is

compelled to think in creative terms. It is human nature for every man on the firing line of sales to pay too much attention to what his competitors are doing. That leads him into offering something "just as good," and to attempt to make it better by a competition confined to price, which soon becomes ruinous to all concerned.

When five men go after an order on a price basis alone, all their employers are bound to lose. There is business enough for all five to succeed if all selling could be done on the theory that there is no competition except for improvement—which means laboratory competition.

Price selling is automatic

SOME years ago I told a group of our salesmen that if we were willing to sell on price only, there no longer would be any need for salesmen. A jackass equipped with saddle bags could be taught to make the rounds of buyers' offices. He could be baited with hay in the bottom drawer of the buyers' desks, and the orders could be thrown into the saddle bags.

In nearly all lines of manufacture, real competition exists not alone in quality or price. We have so many substitutes for everything that monopoly is impossible. A new alloy or a new fabric is matched in performance, appearance and durability by half a dozen others the moment it is announced.

Competition, therefore, reduces itself to service, and that in turn becomes primarily a problem of improvement. Service to the immediate customer is not enough. The improvement must be carried to the point where it means greater convenience, lower cost and finer performance in the hands of the ultimate consumer, so that markets may be continuously widened.

A chronic objection to this, I am aware, is the old bogey of the saturation point. But saturation is a product of standardization, not of improvement. In the early days of radio, it was proved that only 16 million sets could be sold because that was the number of householders then financially able to buy sets.

Doubtless the figure was highly accurate if certain variables had been constants. The number of householders able to buy has multiplied tremendously.



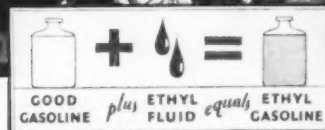
Everywhere now ...the ETHYL EMBLEM

In every state, in every town, on every road, wherever you drive, you now see the Ethyl emblem.

And wherever you see that emblem, it means that the pump bearing it contains good gasoline to which has been added sufficient Ethyl anti-knock compound to "knock out" that "knock" in cars of average compression and bring out the additional power of the new, high-compression cars.

The oil companies which now mix Ethyl fluid with their gasoline to form Ethyl Gasoline supply more than half of all the motor fuel used in the United States, Canada and Great Britain. So you are safe in stopping at *any* pump bearing the Ethyl emblem. Ethyl Gasoline Corporation, Chrysler Building, New York.

Please don't put Ethyl to an unfair test or an easy test. Wait till your tank is almost empty; otherwise the Ethyl will be diluted and its effectiveness lessened. Then fill up with Ethyl; take the worst hill, the worst road or the worst traffic congestion you can find. Your car will prove the difference Ethyl makes in every phase of engine performance.



THE ACTIVE INGREDIENT USED IN ETHYL FLUID IS LEAD • "KNOCKS OUT THAT "KNOCK"

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ETHYL GASOLINE

When writing to ETHYL GASOLINE CORPORATION please mention Nation's Business



Conservative?

Is it conservative to charge capital investments to expense when to do so means penalization of stockholders? Is it conservative to show high earnings by neglecting adequate provision for depreciation? Users of American Appraisal Service, provided with the facts, are able to control both their optimism and conservatism, to depart only *knowingly* from the truth.

THE AMERICAN APPRAISAL COMPANY

New York • Chicago • Milwaukee
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AN INTERNATIONAL ORGANIZATION

ly, for example, not only through the increase of wage rates but through the development of instalment buying and generally wider extensions of credit.

Saturation is merely a failure of laboratory competition to keep pace with demand. If we could balance them in all industries I believe we could virtually eliminate unemployment and distress in this country.

That might mean less of some things, but it would mean incalculably more of others—an increase of total production. But we cannot attain that end merely by studying the production problem. The essential first step is to locate human uses. After that, production will take care of itself.

Certainly it has been our experience that it will take care of itself in so far as the individual manufacturer is concerned. That is to say, we have found our engineering and research laboratory a paying proposition even after all savings in unit costs are passed along to the customer.

For one thing, volume is increased and profits go up accordingly. But there is also a saving in selling and incidental expenses when the necessity for high-pressure selling has been reduced or eliminated. Orders have a tendency to become larger so that we can buy to better advantage.

Good ideas are best salesmen

WHEN we have something that we know will enable our customer to widen his markets we do not have to worry a great deal about future orders and next year's business. Our salesmen, therefore, do not try to sell the customer something which he has already arranged to buy. Instead, they study his markets and his customers. The result is a continuous stream of suggestions which come to us in most instances with the indorsement or by direct request of our customer.

Sometimes these relate only indirectly to our product, but they widen our market by providing an economy to the customer which in turn is passed along to the consumer.

A case in point was the packing of certain parts for export. We had been doing it according to customer specification and at his expense. Boxes had been used for many years. They were necessary when parts were made of cast iron and likely to break. But they are made now of steel stampings which are stronger and more elastic. The laboratory saved the customer \$36,000 annually by proposing a shift from boxes to bags.

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If you are not already a subscriber, sign the attached coupon and this magazine will come to you regularly every month for the next three years.

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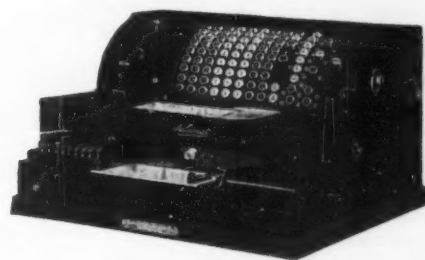


A Manufacturer does a 58-hour job in
4 1/2 hours with a National Check Writer

An Installment House is saving \$12,000
a year with National Posting Machines

A Department Store handles more
time accounts with two less clerks

A Wholesaler saves the time of
four clerks on sales analysis work



Your business may be entirely different than any of these four. You may be a banker, a broker, a retailer, a public utility operator, a public official. Whatever your business you are interested in reducing overhead.

National Accounting Machines cut costs. Their results are measured not in theoretical savings but in actual dollars and cents saved in the thousands of business firms where they are used. A National Accounting Machine man will not give you snap judgment or a half-formed

opinion of what our product can save for you. He will make his recommendations only after a thorough analysis of your present method and your accounting problems.

In your line of business and in your locality National Accounting Machines are making real savings every day of the year. We shall be glad to show what this equipment is doing for others and submit . . . after a suitable investigation of your problems . . . the figure facts on what it can do for you in actual savings.

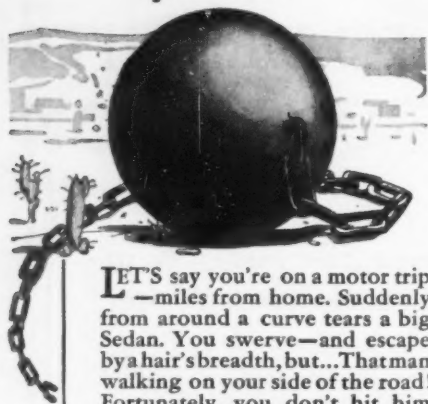
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World's Outstanding Producer of Accounting Machines and Cash Registers

DAYTON, OHIO

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There are bonds that bind
and—Bonds that set
you free



LET'S say you're on a motor trip—miles from home. Suddenly from around a curve tears a big Sedan. You swerve—and escape by a hair's breadth, but... That man walking on your side of the road! Fortunately, you don't hit him squarely—he's apparently only cut and bruised. If you carry adequate Liability Insurance with a good, reliable company, you are protected against financial loss from claims, but—

While lunching at a nearby Hotel, you are also served with a Writ of Attachment on which the ink is scarcely dry. The injured man has made use of the local sheriff to protect his interests before you've a chance to leave town. Your car is "attached" and as effectively "tied-up" as though he'd put a gigantic ball and chain on it. What to do?

If Aetna-ized, your Aetna Service Certificate will identify and introduce you to the local Aetna Agent. (There are 20,000 of them from Coast to Coast!) He will promptly arrange for an Aetna Release of Attachment Bond, thus restoring full possession of your car—without a cent of extra cost to you.

Aetna writes Bonds as well as insurance. It looks after its automobile policyholders' needs, not only from Coast to Coast but in Europe, too. It pays to be Aetna-ized. Let the Aetna-izer in your community give you the whole story.



Aetna Casualty and Surety Company
Aetna Life Insurance Company
Automobile Insurance Company
Standard Fire Insurance Company, Hartford, Conn.

AETNA-IZE

When writing please mention Nation's Business

Obsolescence, a Persistent Competitor

(Continued from page 38)

Federation of Master Cotton Spinners and Manufacturers' Associations, visited Japan and China to study the situation. This British expert reports that "he can state without fear of contradiction that amongst Japanese mills there is not one which pursues a policy of a fixed percentage of depreciation. It is the custom in Japan (and in China) to consider depreciation *only after* allocation of profits and reserves."

A pretty type of competition to face! Also not one word about obsolescence, an even more serious and insidious factor!

No obsolescence figured

WHILE this is criticism of Japan from a British source it is also known that British industries of many sorts sin similarly yet differently. Although they may cover depreciation in their accounts, at least ostensibly, recent studies by the Balfour Committee show that British factory equipment quite commonly is in need of replacement and huge sums needed for this rehabilitation are not available. This clearly suggests that many British enterprises have liquidated their assets presumably unconsciously, through the operation of

this obscure thing, obsolescence. What shall management say to stockholders about this? What is the position of competitors? Merely one more way to be induced to sell below cost.

Of course it is very comfortable to point a critical finger at the Japanese and at the British but is it not true that we have the same types of business mind within our own boundaries? That is why American business tries to protect itself through some 20,000 trade associations—business feeling the effects of age and poor health seeking the "Fountain of Perpetual Youth"—a twentieth century Ponce de Leon.

James A. Farrell, distinguished steel maker, recently pointed out that the steel industry finds it necessary to replace its plant equipment every 16 years. Here is one industry whose definitely accumulated experience makes it possible to treat the replacement problem scientifically. Unfortunately it seems that few other industries have gone so far. Only rarely do we find accountants who have a clear conception of the actual costs of obsolescence.

True, the books will sometimes show an allowance for "Depreciation and Obsolescence" but too often the figure following these words is a mere arbitrary sum hastily arrived at and prob-



CHARLES PHELPS CUSHING

Every day buildings good for many more years are torn down because new conditions made them useless

ably reflecting more the policies of the management than an accurately determined sum. In obsolescence, business faces a real hazard. It would be interesting if we could but learn how many failures among manufacturers are the result of not adequately covering this risk.

A century ago individuals faced a similar risk through the fire hazard. We have since learned to protect the property interests involved through study—analysis of the actuarial experience. Probably we shall never be able to insure against loss of property values through obsolescence. Instead, each enterprise should insure itself. But at present do we not disregard the item instead? Perhaps the steel industry has developed an adequate actuarial experience and is protecting itself. Few other enterprises have done so. Perhaps the steel industry is deceiving itself, for many other kinds of machinery are hopelessly obsolete long before reaching that romantic age for womanhood—sweet sixteen!

Certainly the larger steel companies have adequate earnings and general reserves that insure their safety; but, I submit, it is bad management to be forced to meet these losses simply by subtracting them from dividends. The item is a real cost and should be included when determining prices.

Business retains its youth only so long as the financial structure is healthy and its management virile, vigorous, and vigilant.

A science of replacement

FOLLOWING this line of thought, the Department of Commerce was recently requested to make a survey of the machinery in the industry that produces bathing suits, sweaters, golf stockings, and the like. The report, recently published, shows a striking amount of machinery of ancient models still at work. Other experiences suggest that many industries here and abroad are similarly handicapped. Manufacturing industries need to develop a science of replacement and first steps are being taken to this end through developing a sort of actuarial experience—the facts that will reveal not merely the problem but its solution. Furthermore, scientific replacement must be covered not merely through better knowledge of machinery “life expectancy” and “exhaustion” but these must be carried into the accounts—a sort of blood transfusion that will nourish and invigorate the financial structure endowing the whole enterprise with perpetual youth.



COSTS CAN BE REDUCED

Have you noticed the modern type of gasoline pumps when you drive up to a Super Service Gas Station—have you compared them with the old style heavy pumps?

Here's what has happened—besides producing a better looking pump the manufacturers have lightened the weight—in one instance reduced it from 106 pounds to 42 pounds—simplified assembly—eliminated breakage—obtained a smoother, more perfect surface for finishing—reduced production costs—by the use of Pressed Steel!

The pump industry is but one of many industries that have profited in the same way. Eighteen concrete examples in as many industries are given in the book “Adventures in Redesign.”

Without the expenditure of a single dollar—without obligation—you can easily take advantage of this YPS Cost Cutting Service. Send for this “Book of FACTS” today. Pin the coupon below to your business letter-head.



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THE YOUNGSTOWN PRESSED STEEL CO.

The Youngstown Pressed Steel Company,
304 University Road, Warren, Ohio

Please send me a copy of your FREE book, “Adventures in Redesign.”

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"BIG VOLUME METHODS

... the solution to lower costs on diminished volume"

CAREFUL studies have shown that "mass production" savings in handling materials, result not so much from large volume as from the adoption of a standard method of handling a standardized load.

Raw materials, goods in process, finished products—all become standard units when loaded on platform skids. And when skid loads are handled throughout the plant on electric lift trucks, movement of materials takes on the characteristics of *mass production*.

It is this principle that is enabling industrial executives to make big volume savings in material handling even on a diminished plant output.

An Elwell-Parker electric "chisel type" truck and small loading plat-

forms, shown below, were the means of reducing costs for one firm. The truck lifts three, four, or five bags at a time from the platforms and carries them to the car. Because the truck lifts the load to a height of 59 inches, when necessary, it is possible to quickly and easily load a car to capacity. Savings on loading operations alone run as high as 15 cents per ton. Boxes, bales and bundles can be handled in a similar manner.

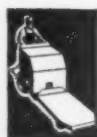
In a brief interview, an Elwell-Parker engineer can quickly give you the pertinent facts bearing on your own handling problem. If his name does not appear in your telephone directory, write direct to Elwell-Parker in Cleveland.



●
Oversize motors, heavy in copper, take all the power the battery delivers. No fuses are necessary. Power failure at crucial moments is avoided. This, together with automatic control features protecting operator and truck, will interest your Safety Committee.

The Elwell-Parker Electric Co.

**SHIP on
SKIDS**



Designers and Builders of Electric Industrial Trucks, Tractors and Cranes for 24 years.

4251 St. Clair Avenue, Cleveland, Ohio

Tructors

When writing to THE ELWELL-PARKER ELECTRIC CO. please mention Nation's Business

A Priceless Treasure of Business

(Continued from page 35)

nomics, together with many books relating to the economic causes of the French revolutions of 1789 and 1848. There is also a noteworthy assemblage of the writings of the French Physiocrats, including a number of works which are lacking in the collection of the Bibliothèque Nationale. We find here a complete set of the almost unique *Ephémérides du Citoyen* of some 60 volumes, isolated numbers of which are now quoted at 20,000 or 30,000 francs apiece, when they turn up. In the Spanish, the Dutch and the Portuguese sections are a large number of volumes and papers tracing the development of trade and finance in the sixteenth and seventeenth centuries.

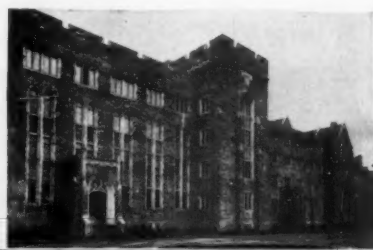
"The library, in fact, covers the entire field of economics as it was analyzed and described by the best minds in the whole period from the thirteenth century to modern times. One of the most interesting groups of the earliest records are the *Incunabula* of the fifteenth and sixteenth centuries, dealing, of course, with the ecclesiastical precedents, customs and regulations of preceding centuries. Here is one, you will note, with the date of its publication, 1473, probably the oldest of all the volumes in the library, and still fine and sound after 450 years and passing through no one knows how many hands. The *Incunabula* contain approximately 100 items.

When books were hand made

"OBSERVE how, in this ancient illuminated missal the chapter initialings are beautifully designed and hand-colored in red and blue and gold, and how the margins are attractively decorated by the same clever old monkish artists. The *summae* (or compends) formed a sort of reference library for the churchmen—books of authority to which they could resort for correct precedents in dealing with matters of the confessional relating to trade, usury, currency, debts and such material matters.

"They used these books pretty much as lawyers today use their law libraries for precedents and decisions. Some of the items in the *summae* are among the most valuable in the whole collection.

"Most of these ecclesiastical tomes with their marvelous hand-tooled bindings and their beautiful, hand-made



COMFORT

EDUCATION

INDUSTRY

BRING FACTORIES TO PIEDMONT CAROLINAS

MANUFACTURING EXECUTIVES investigating conditions in Piedmont Carolinas, invariably ask three questions that bulk bigger than any others in the decision to re-locate their plants here:

WILL WE BE COMFORTABLE?

—That question comprehends the whole range of life, not mere physical well-being. The answer is quite as comprehensive.

Life here is active and stimulating. People are neighborly, hospitable, and well-bred. A developing country creates a spirit of optimism and accomplishment.

The cities are growing, yet far from overgrown. Thoroughly modern apartments are available, but single homes with spacious grounds are the rule.

Servants are plentiful, capable and faithful. Seven or eight years is no unusual period for a maid or manservant to remain with one family.

The population is over 99% native born, of the old racial American stocks. It is predominantly white; there is no race problem.

Situated on a plateau at the foot of the lofty Appalachians, our summer temperatures equal those of southern New York and Pennsylvania, with this important difference: there is 10 to 15% LESS humidity here. Our summer days are nearly an hour shorter. Our nights are usually cool.

In winter, our days are nearly an hour longer than yours, and the winter temperature averages 15° to 20° warmer.

We can reach, in two or three hours, mountain retreats 3,500 to 4,500 feet above sea level. We can drive in a morning to the pleasant coastal resorts of the Atlantic. Good hunting and fishing await us in both sections. And all around us are golf courses—many of which are known throughout the world.

WHAT OF THE CHILDREN'S EDUCATION?

—Our children attend grammar and high schools of more than ordinary excel-

lence. The nature of the population makes any other course unnecessary. They may rub elbows with less well-to-do school-fellows, but their associates all have a background of sturdy American ancestry that antedates the days of Daniel Boone.

This whole section is thickly studded with colleges and universities; both for men and for women. Many are of major size and highest standing in the educational world. You find here broad-mindedness and urbanity, for culture has been a tradition since Colonial days.

WILL MY BUSINESS PROSPER?

—Only if it belongs here logically will you be encouraged to locate in this region. In most lines production costs are definitely lower than in other sections.

Overhead and operating costs as represented by land, building, power, and heat are decidedly favorable. Raw materials are abundant and in many cases practically untouched.

Labor is plentiful; nearly three-fourths of the available supply being still engaged in farming. The training period for new workmen is remarkably short. The rate of production is satisfactorily high. The attitude is friendly and co-operative.

Sales costs parallel production costs. You are within economical reach of 66% of the Nation's purchasing power. And IN ALL BUT THREE LINES, you will find the local market as yet requiring imports from other states to supply its needs.

Beyond these low costs of production and marketing, another and important element of prosperity is the constant increase and appreciation of values, far exceeding that of highly industrialized, closely built-up sections.

Send for the booklet of detailed facts shown here. Address, please, Industrial Department, Room 106, Power Bldg., Charlotte, N. C.



WANTED

50 PACKING PLANTS of average capacity are wanted, to supply the fresh and preserved meats and meat products now imported into the Carolinas at a freight cost of over \$5,000,000 annually. Twelve packing plants are at present in successful operation here.

32 SHIRT FACTORIES are needed here to make the \$8,000,000 worth of shirts that are now brought into the Carolinas each year. At present 14 manufacturers of shirts are operating factories in this territory.

20 LEATHER GOODS MANUFACTURERS of average size would not be able to meet today's demand in the Carolinas with their entire output.

100 CANNERIES could thrive here supplying PRESENT Carolina demand for canned fruits and vegetables. We now pay \$2,000,000 per year for FREIGHT on such goods shipped in from other states. Meanwhile we ship canning crops in carload lots.

250 MAKERS of WOMEN'S CLOTHING could locate here, and every cent's worth of their output could be disposed of locally. Our present annual purchases of women's apparel from other states total \$50,000,000.

MANY OTHER INDUSTRIES are equally needed here to supply present local demand—ranging from candy to thrown silk, from asbestos fabrics to wood-preserving plants, from bobbins to roofing materials. Probably the facts about YOUR line are as illuminating as those quoted above. Why not send TODAY, for the booklet, **PIEDMONT CAROLINAS, WHERE WEALTH AWAITS YOU?**

—DUKE POWER COMPANY—
SOUTHERN PUBLIC UTILITIES CO. AND OTHER ALLIED INTERESTS

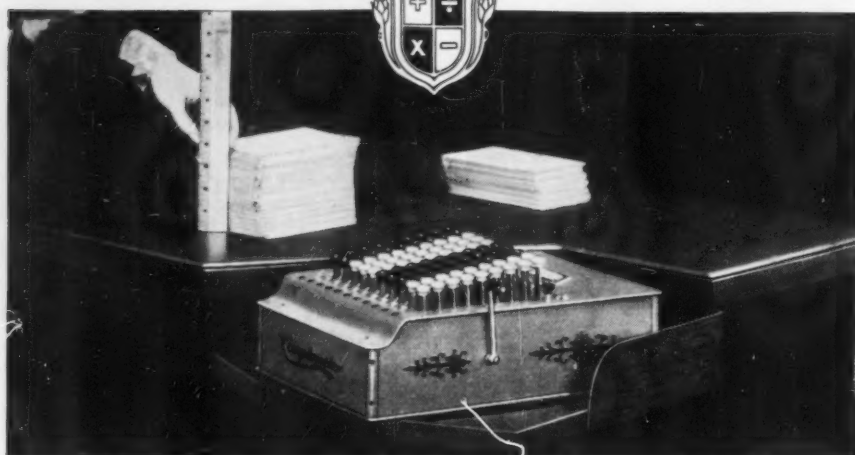
PIEDMONT
INDUSTRY
CAROLINAS

When writing to DUKE POWER COMPANY please mention Nation's Business

THE HIGH SPEED MACHINE



FOR ALL FIGURE WORK



If you were putting machine figuring on a piecework basis . . .

WOULDN'T your first concern be to make sure of getting the right machine—the surest, swiftest and most dependable machine—the one with the greatest Speed - with - Accuracy capacity on your figure-work?

Nothing shows up the true economic value of any machine like piecework. Because, under that system all work must, of necessity, be measured to determine the remuneration.

With a definite measure of performance before you, there can never be any doubt about which machine to buy.

So, even though your figuring machine operators are not on piecework, why buy any adding-calculating machine without first

finding out which one will turn out the most work in the least time, and at the lowest cost?

Isn't it better to demand, before purchase, a measured production test of every machine considered?

The Comptometer accepts that test. Sound reason commends it.

Remember, too, that operating skill is an important cost-reducing factor in figure-work. Trained operators cost less because they do more and better work. That is why, through a chain of Comptometer schools, a dependable supply of trained clerks and operators is kept constantly at the command of employers—a service without charge.

FELT & TARRANT MFG. CO., 1712 N. Paulina St., Chicago, Ill.

CONTROLLED-KEY
Comptometer
ADDING AND CALCULATING MACHINE

If not made by Felt & Tarrant it's not a Comptometer

Only the Comptometer has the Controlled-Key safeguard

When writing to FELT & TARRANT MFG. CO. please mention Nation's Business

illustrations in colored inks and gold leaf came from monasteries in Galicia and Hungary, old religious houses hard hit by the after effects of the war and in great need of funds. Within the covers of the books is economics in its swaddling clothes, the beginnings of business and trade and finance as far back as the early part of the thirteenth century when Europe was just beginning to emerge from the paralysis of the Dark Ages. In these books is the assembled knowledge of the best ecclesiastical minds of the times, a priceless heritage of the earliest business history."

Reading a whole library

I ASKED Professor Seligman whether he had read all of the books and documents in the vast collection—almost 50,000 items. He smiled and answered unequivocally:

"I can say yes for this reason. Ordinarily it would take a lifetime to read all the books, pamphlets, letters, broadsides and so on. But I have trained myself to know how to read. I can absorb at a glance the sense of an entire page. As these books and papers were acquired—and acquired usually along a definite line and to fill in certain gaps—I knew precisely where in each book or document to look for what I wanted. It was not necessary to pore through every volume or every document. A chapter here and there, sometimes a few pages, gave me the heart of the volume and the knowledge I required. In that sense I can say that I have read every item of the 50,000."

Books are in fine condition

THE entire library is in wonderful condition as regards preservation and binding. Experts who have examined the library recently have commented on that fact.

An unusually large number of the books have been rebound by Riviere of London in half, three-quarter or full French Levant, and the cost of such rebinding today, I am told by a New York bookseller of note, would be fully \$40,000, if not a great deal more.

Of all the items making up this extraordinary world history of business since its beginnings some 60 per cent are from English sources and in the English language, some 10 per cent in the French language and the remaining 30 per cent divided among German, Italian, Spanish and Dutch. A number of volumes of the Incunabula and from other sources are, of course, in Latin.

Opportunity in a Pump Handle

(Continued from page 43)

derously solemn nonsense. They organize mythical expeditions for impossible objects and inject into such imaginative enterprises no little of the executive genius and planning skill that have put so many of them where they are at the head of great corporations. At the moment they are deeply concerned over the preservation of the cast-iron animal life of America.

It seems—they tell you solemnly—that the United States is about to lose almost every vestige of the cast-iron animal life which made this country so notable among the nations of the world back in the administrations of Hayes, Garfield, Arthur and Grover Cleveland. That was the period of culture, it may be recalled, when men of standing and substance ornamented their front lawns with noble stags cast in iron, or with imposing iron dogs.

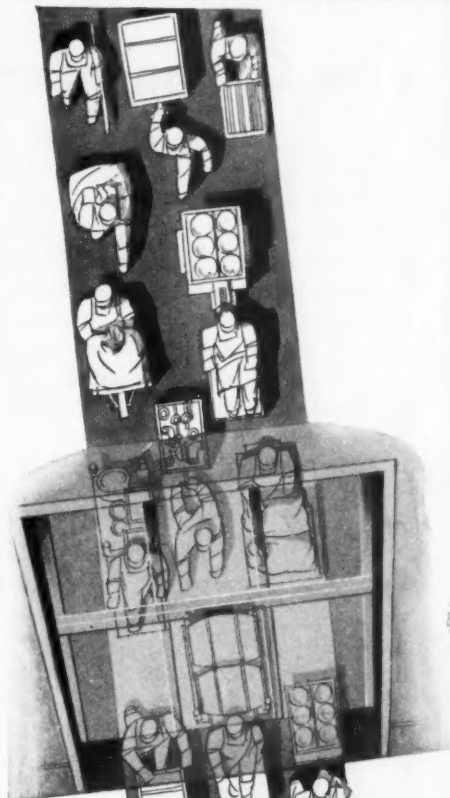
Lo, the poor cast-iron dog

AN EXPEDITION organized a year or so ago to investigate the report which had come to the ears of the Guild, that the cast-iron animal life was nearly extinct, reported a situation squaring with the rumor, and a further expedition was launched to rescue such specimens as still might survive and eventually gather them together in a national park for the permanent preservation of this historic and precious cast-iron animal life, both wild and tame.

There are innumerable other enterprises, such as the rescue of the wooden cigar store Indian, which amuse the Guild and provide excuses for "business meetings," where good cigars are smoked and good food eaten, and where the never-wearying and inexhaustible anecdotes of boyhood are told and retold with vast gusto. The Guild is somewhat concerned, one is informed, regarding the virtual disappearance of the mustache cup which once ornamented father's place at the dinner table.

You may observe, as it chances, upon the wall of the private office of some of our American chiefs of industry or commerce a small, framed parchment testifying to membership in this amusing Guild of Former Pipe-Organ Pumpers, and if this diploma should happen to meet your eye consider it proof that the American business man has not quite forgotten how to play—has not lost his essential boyhood.

THE DOORWAY OF AMERICA'S FREIGHT ELEVATOR TRAFFIC



In endless march, the products of industry file through Peelle Doors. From the throbbing dynamo to the faintly ticking watch, from the fragile drinking glass to the shoes you wear... these products and hundreds more... in some stage of manufacture, have benefited by the utility of a Peelle Door. For over twenty-five years, architects and engineers, planning with industry, have specified Peelle Doors for shaftway duty... recognizing in them the solution to many and varied vertical traffic problems. Electrified... automatically opening and closing at the touch of a button... Peelle Doors further simplify operation, increase efficiency and lower costs. Consult our engineers, or write for catalog.

THE PEELE COMPANY,
BROOKLYN, NEW YORK
Boston, Chicago, Cleveland, Philadelphia,
Atlanta, and 30 other cities in Canada,
Toronto and Hamilton, Ontario.

PEELLE

FREIGHT ELEVATOR

DOORS



NEW MARKETS

A new book presenting opportunities for the development of new markets in Canada, the British Empire and the many countries with which Canada enjoys nation trade treaties has just been published. It will be sent on request without obligation.

Department of Development

The Shawinigan Water & Power Company

Power Building • Craig Street West

MONTREAL, CANADA

What Causes Depressions?

★ John Hays Hammond, world famous engineer, tells why the low price of silver has reduced purchasing power and helped bring on the slump. Read his article in the October Nation's Business.

JOHN HANCOCK SERIES

A Business Man's Life

IF you want a building, a machine, or a raw material, you order it to specification—and get what you order. Not so with men, especially those with executive, administrative, or selling ability. Business or inventive genius cannot be obtained on order and is rarely replaceable.

In almost every business, whether it be a corporation, partnership, or a sole-proprietorship, there is one man—perhaps several—who is outstandingly valuable to the management of that business.

You know who these men are in your organization. If you are interested in a plan whereby Life Insurance can be applied in the permanent interest of your business, we shall be glad to supply information. Address:

.....INQUIRY BUREAU.....

John Hancock
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

197 Clarendon St. Boston, Mass.

Please send information regarding partnership and corporation insurance.

Name.....

Address.....

N. B.
OVER SIXTY-SEVEN YEARS IN BUSINESS



Have your secretary send 10c for assorted samples to find your personal pen. Esterbrook Pen Co., 50 Cooper Street, Camden, N. J.

The Correspondent Bank and Progress

(Continued from page 32)

sponsible banker and obtaining a definite decision from him, you have taken away the assets of his personal character and ability and reduced him to an impersonal statement, a set of figures which may not represent the true credit risk. If his affairs and requirements have to be referred to some remote point for decision, he might as well do his business with the Post Office.

Banks are free to choose

UNDER correspondent banking, the smaller banks throughout the country are free to make independent banking connections with correspondents in the larger cities from whom they receive practically the same banking service which they give their own depositors.

When a customer wants information about other than local investment securities or about some business house or individual in some other part of the country his banker writes to New York and obtains full use of the investment advisory service or of the credit department which it maintains.

If the local bank has surplus money on hand, it has its New York correspondent lend it on call or on time against listed securities, or has it buy commercial paper or other short time or long time investment.

The local banker has at his command the knowledge and experience of his correspondent in matters of trust business as well as commercial banking. Any foreign business which he may have is sent through his correspondent bank and he is thus placed in close touch with the country as a whole; enabled to finance the flow of business for his town to any part of the country or the world. Furthermore, his correspondent is interested in his success and cooperates with him to achieve it.

Through decades of competition for the deposits of banks, the large banks in the principal cities have developed a highly efficient service as correspondents. Any bank in our country has an independent choice of correspondents in an open competitive field. It does business solely as a customer of the larger bank, obtaining for itself and its depositors all the facilities and advantages which the larger bank has to offer.

The service is based largely on the balances maintained with the corres-

pondent bank on which the depositing bank receives interest while it has none of the overhead cost of the correspondent bank in rendering this service. The volume of business between independent banks and their correspondents is greater now than it was before the Federal Reserve System was inaugurated; in itself evidence of the way in which the Federal Reserve System has strengthened correspondent banking.

Correspondent banks do not levy tribute on the deposits and profits of local banks. Correspondent banks do not dictate to local banks what business they shall do. The local bank deals with its correspondent as principal to principal; not as subordinate to superior. When funds go from the local bank to the correspondent they go on the local bank's initiative; they come back on the same initiative. The local bank, sensitive to the opportunities and needs of the locality and using the funds of local capitalists and local depositors for local service, is the power station of American enterprise.

Correspondent bank relations have kept our banking system independent and free. We do not believe that these relations are going to be sacrificed on a wholesale scale by the surrender of our bankers to the temptations to sell out their banks for more than they can be worth in terms of service to their communities.

Who shall be managers?

IN ITS approaches to the managements of banks and their stockholders, "the new movement in banking" offers nothing better in the way of service to a community when it proposes conversion of independent banks into branches of a large remote bank or into agencies of a remote holding company.

Certain features of "the new movement in banking" are not new. The mergers of institutions into larger institutions to meet, economically, needs for larger local units and the provision of branches in restricted localities where for every practical purpose personal contacts are preserved, need no argument in their defense. The burden of proof lies on the advocates of an extensive concentration of banking power which would diminish and threaten the extinction of our banking independence and our banking home rule.

DAYLIGHT LANDINGS

for the

MIDNIGHT MAIL



A night view of the Newark (N.J.) Airport, illuminated with Westinghouse Airport Lighting equipment.

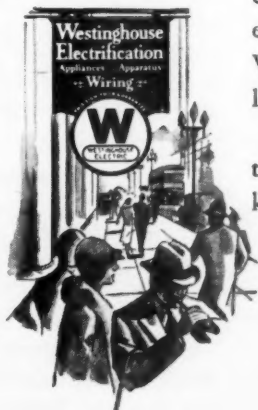
THE mail's coming in! Out of the dark stillness far above comes a faint hum, swelling into a rhythmical throb that quickens the blood with the insidious power of a tom-tom. A random flash from a wandering beacon picks up the glint of a silver wing. The throbbing ceases—then a golden torrent of light suddenly pours forth across the broad field, flooding it with a glare-free, shadowless brilliance. Midnight is turned magically to noon—and the midnight mail glides gracefully down to a daylight landing.

On hundreds of airports throughout the world today, this scene is all in the day's work. And in many outstanding examples, such as the new municipal field at Newark, the lighting equipment

that makes it possible is by Westinghouse—a part of Westinghouse's contribution to the new industry that is to become the tool of all industries.

On many a desolate, inaccessible mountain-top, beacons are kept unfailingly alive by Westinghouse individual electric plants. And throughout every step of aircraft and engine manufacture you will find Westinghouse motors and Westinghouse electrical equipment showing the way to low-cost, standardized production.

Westinghouse service to aviation is typical of its service to all industry, wherever there is need for specialized knowledge in the electrical engineering field.



Tune in the Westinghouse Salute over WJZ and the coast-to-coast network, every Tuesday evening.

Westinghouse

The Auto Improves the Railroads

By LABERT ST. CLAIR

- **MANY MEN** have discussed the motor car's effect on the railroads but Paul Shoup is, we believe, the first to see the auto as a benefactor. In this interview the president of the Southern Pacific describes some new things that will interest you as a shipper and he gives the credit to the automobile

PUBLIC transportation men are better salesmen than they used to be, Paul Shoup, president of the Southern Pacific Company, declares. He should know. The company he heads controls or is affiliated with steam, electric, steamship, express, bus and truck lines, as well as oil properties. Besides, he is president of the American Electric Railway Association, members of which carry 40 million passengers daily.

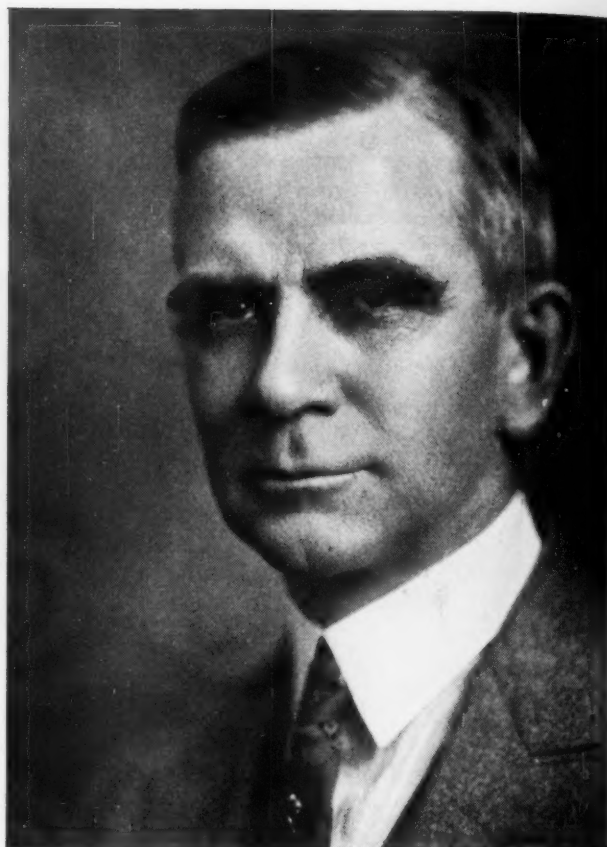
There are two reasons for this improved selling, in Mr. Shoup's opinion. Competition and a better and broader line of goods for sale.

Automotive transit plays a part in both reasons. Competition from independent passenger and freight lines has made steam and electric carriers improve their standard line of goods carried for so many years. But they have not stopped there. They have added new lines as rapidly as they have proved practical. Their sample cases now contain assorted bus, truck and other automotive service. Finally, the public transportation men's advertising and other public contact methods are just as modern as those of their competitors.

Nor is the new type of transportation salesman going to stop with present developments. He is looking into the future. Air travel may expand rapidly. If so, he is ready to go along with it, Mr. Shoup believes. Manufacturers of aircraft must improve their product to such an extent that all doubt about its practicability will be removed, he says. Then the steam-electric-motor transit man will move along as the situation warrants. Meantime, he is willing to help, but not to do all the pioneering.

"The future of air transportation is highly problematical," Mr. Shoup said. "Whether we are to have planes carrying large numbers of persons, making greatly increased speed, supplanting some present forms of transportation is entirely conjectural. No one knows. To predict would be folly.

"The attitude of steam railroad men, I believe, is receptive. How far they will go in using air machines depends entirely



PAUL SHOUP

HARRIS & EWING

on the manufacturers of planes. Railroad men are willing to supplement their rail service in any practical way, but they must be shown that the service will be practical.

"Passenger travel will increase, I presume, in proportion to the betterment of facilities. For instance, air service, let us say, involving only one change between Chicago and the Coast would with safety be more attractive than the present service.

"I cannot go along with those who predict flying freight trains. Doubtless air routes will prove popular for light packages and even larger shipments of great value, but present freight movements will be effected little by plane developments in the near future. The test of every carrier service is whether it meets merchandising demands. Our present rail freight service does meet them. Hence, there is little likelihood of a far more expensive method of transportation, which would bring business no needed benefit, supplanting it.

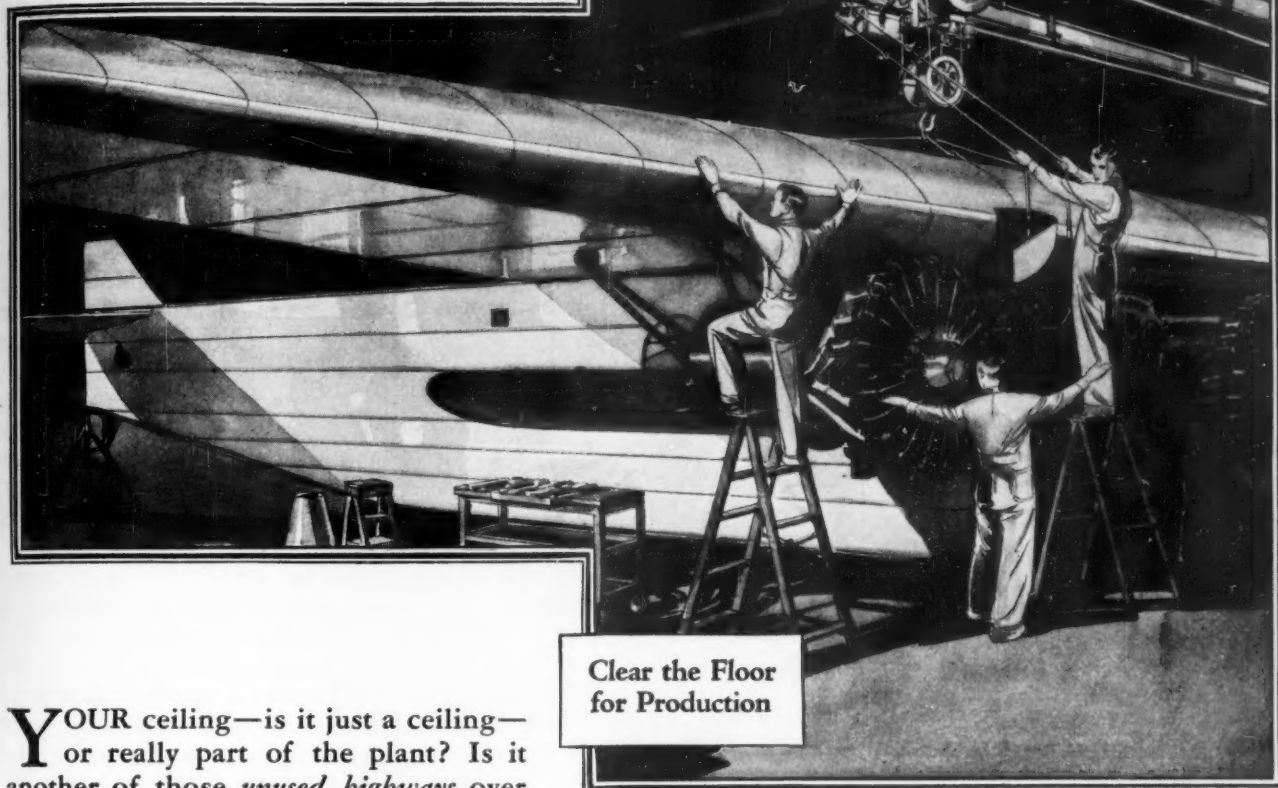
Passenger traffic is stabilized

"STEAM railroad passenger business has reached a state of stability during the last six months. For several years before that it was in an extremely uncertain state.

"Passenger lines have been suffering from what I call 'backyard transportation.' Competition from second hand buses and used automobiles operated by fly-by-night operators has been hampering them greatly. Managements have

UNUSED HIGHWAYS...

*out of the way
of Production*



Use the Ceiling
for Handling

Clear the Floor
for Production

YOUR ceiling—is it just a ceiling—
or really part of the plant? Is it
another of those *unused highways* over
which, if spanned by Louden Monorails,
the handling in your plant can be so
speeded as to save you the cost of the
Louden installation in a few months?

Louden Monorail handling removes the wear and tear from your floors. How often have you been annoyed by the delay and inconvenience occasioned by this one expensive item alone! The Louden Monorail System provides a sure, smooth track for moving any unit, large or small, from point to point about your plant—easily hoisting or transporting loads up to 5000 lbs. by manual or electric power. Workmen, relieved of drudgery, produce more. Production, unhampered by crowded aisles and congested floor area, shows a satisfying increase. And the returns from your investment are so large that frequently the cost of the entire system can

be written off within the year!

You—no one else—own the “air-rights” to this valuable space in your plant. Why not have Louden engineers show you how it can be used to best advantage. Once planned, the Louden Monorail System is easily installed without expensive changes in your plant layout.

THE LOUDEN MACHINERY CO.

Established 1867

605 West Avenue

Fairfield, Iowa

Offices in Principal Cities

LOUDEN

Industrial Monorail Systems

Industry Uses More Miles of Louden

Louden . . . the first monorail . . . has held the lead. Louden users include:

Ceramic plants, automotive plants, foundries, textile mills, paper mills, bakeries, machine shops, department stores and manufacturers of practically every class of products.

Write for This Valuable Book

“Economic Material Handling” is a book of facts. Any executive interested in savings will find this booklet extremely practical and full of helpful suggestions for the correct use of modern handling methods. Write for your free copy now.



USE THE OTHER HALF OF YOUR FACTORY

(A-1706)

When writing to THE LOUDEN MACHINERY CO. please mention Nation's Business

PACE-MAKERS

AMERICAN INDUSTRY



TAKE THIS TIP

A famous journalist says E. H. Harriman could build railroads, find millions for finance, deal with intricate problems... but could not or would not take care of his own body.

Men at the helm in big business! These are the men most likely to break under pressure—because they can not or will not slow down.

To all such men we say—Sail away on a great **Red Star** or **White Star** liner. Let sunshine soak into your bodies—breathe the salt sea air. Make new contacts... widen your horizon. Let us tell you about the cruises below.

Around the World—Red Star liner **Belgenland** most famous world cruising ship, from New York Dec. 15. 133 days. \$1750 (up).

Mediterranean—White Star liners **Britannic** (new) and **Adriatic**. 46 days. Sailings: Jan. 8, 17; Feb. 26, Mar. 7. \$695—\$750 (up) 1st Class.

RED STAR LINE WHITE STAR LINE

INTERNATIONAL MERCANTILE MARINE COMPANY



30 Principal Offices in the United States and Canada. Main Office, No. 1 Broadway, N. Y. C. Authorized agents everywhere.

When writing please mention Nation's Business

met this situation wisely. It is the way all competition must be met. They have improved service. They have made it more attractive to the potential customer. Let me illustrate with some of the things we have been doing on our lines.

"This is an age of speed. Everyone wants a fast ride. It makes no difference whether the rider is on a steam train, an electric line, bus or in a private car. One way to attract riders is to provide speed along with clean, attractive vehicles.

"Local stops, the greatest deterrent to speed, have suffered most from 'back-yard' and motor-car competition. Likewise, these stops have slowed up our trains and made them less attractive to the through rider. So, with the coming of good highways, we have been able to eliminate many local stops, speed up our trains and attract more through riders.

"But speed is only one element with which we have been successfully combating competition. We have made both long and short hauls more attractive through improved service. For instance, we have learned how to make trains cooler merely through using different kinds of paint and window glass. We have found that aluminum painted cars are cooler than the old standard painted types. A certain style of green window glass removed 80 per cent of the heat from the sun's rays. Also, we have found that wide windows, which give passengers better opportunities for seeing scenery, bring business.

More comfort in Pullmans

"MARKED progress has been made in recent years in adding to the comfort of sleeping car passengers. With many of them the public is familiar. You have only to compare the present Pullman car with one of ten years ago to realize that new methods are in vogue. One attractive feature recently added is the individual bed. Another, now being tested, is telephone service between the passengers' seats and dining cars. We are experimenting with this, on our 'Cascade' between San Francisco and Portland.

"But the long distance traveler is not the only one who is being benefited. Service for the day coach passenger is being improved. This is wise business policy. Also, it was quite necessary. The day coach business was suffering terrific losses from automotive competition.

"A combined comfort and price appeal is being made to the day coach

traveler by our western roads. We have supplied individual seats, cleaner cars, and reasonable priced lunch service. Riding a day coach really is comfortable as well as economical nowadays.

"On the theory that low rates, combined with a restful ride, would attract motor car owners, we have inaugurated regular daily one-way coach rates between large terminals of two cents a mile. We also have special two-way excursions frequently. Our cash drawers testify that the day of excursions is not past.

Cooperate with motorists

"THE automobile industry being an established fact, railway men must make the most of it. They must use the bus and truck themselves wherever it is wise and economical, and they must work with the private motor car owner to attract as much of his business as possible.

"Often we find the motor bus is the most economical form of transportation. Where it is cheaper to abandon rail line service and give rides by bus, we do it. That is the plain, common sense thing to do.

"Working with the motor car owner doubtless has helped our business. At all of our stations, except one or two in the largest cities, we provide free parking space for motorists. It is to our advantage to have them come to the stations, find parking space readily and board our trains. That certainly is better than having them put to great disadvantage in parking, or failing to find space at all.

"In many ways we think the motor car has been a decided help to us. It has improved our highways. In certain parts of the Northwest it formerly required as long for a farmer to bring his produce to our lines as it took to ship it across the United States. Now all of that sort of thing is gone, and we can thank the motor car for it.

"Trucks have not come into use in railroad circles so generally as have buses, but undoubtedly their use will grow. The question of store door delivery of goods is attracting the attention of all progressive transportation men. The service will cost more, of course, but it may be worth it. I foresee great growth in this line of service.

"Freight service has been greatly improved, but many of its advances have been of such a nature that the general public has not noticed them. There has been no marked change in styles of rolling stock nor do I expect any in the

"I go through a pile like this every morning looking for important office news."

"Why not give each department a separate color?"



NO question about it, if you want office routine to run swiftly and smoothly, put your letterheads, departmental memos and office forms on separate "color tracks." Then all paper work sorts itself by color—and the more important activities are given the right of way.

The paper to use is Hammermill Bond. First, because each of the thirteen colors, and white, is a sensible color—easy on the eyes and a practical background for printing, typing, pen or pencil work. Also because you can have Hammermill Bond envelopes to match any of the thirteen colors and white.

Then, of course, Hammermill Bond is *the* standard bond paper—appearance, surface, ruggedness, endurance, value—*everything* considered.

FOR EXECUTIVES who want to know more about putting color to work.
HAMMERMILL PAPER COMPANY, Erie, Pa.

Gentlemen: Please send me a copy of your booklet, "The Signal System," which offers helpful suggestions for speedier, surer management through the use of color in letterheads and office forms.

Name _____ Position _____

ATTACH THIS COUPON TO YOUR OFFICE LETTERHEAD

HAMMERMILL BOND

LOOK FOR THE WATERMARK
It is our word of honor to the public



When writing to HAMMERMILL PAPER COMPANY please mention Nation's Business

Again FINNELL is FIRST!



Scrubbing
and
Mopping

COMBINED in one Machine

First to make a practical floor machine, *first* with a water absorber, and *first* to perfect a vacuum mopper, FINNELL SYSTEM, Inc., now announces the *first* successful floor machine which scrubs and "picks up" in one operation, and can also be used for waxing and polishing.

FINNELL COMBINATION Scrubber Water Absorber—Polisher

Cheapness is no longer an excuse for mopping. One man, with this combination FINNELL, can scrub a floor *perfectly* clean in half the time it would take him to mop it *partly* clean.

This twin disc scrubber speedily scours loose every bit of grime. Then, *immediately*, before the dirt has a chance to settle, a powerful vacuum suction operating simultaneously with the brushes draws up the dirty water into the tank provided for that purpose.

If you are spending money for mopping, let us, without cost or obligation to you, make a survey of your floors, and tell you how much you can save with this machine. Write to FINNELL SYSTEM, Inc., 409 East Street, Elkhart, Indiana.

Eight other FINNELL models for scrubbing, polishing and maintaining all types and conditions of floors.

For Homes, Too, FINNELL Household model. Waxes, polishes, refinishes, or scrubs—wet or dry. Write for booklet.



immediate future but service is getting better through almost imperceptible improvements.

"There is, for instance, the matter of engines. Within recent years, railroad men thought two kinds of engines were necessary, a high-wheeled one for passenger trains and a low-wheeled one for freight. Now, with a faster speed requirement for freight trains, locomotives are interchangeable in freight and passenger service in a large degree.

Locomotives run farther

"INCIDENTALLY, another peculiar thing has occurred in connection with passenger engines. In other days, it was thought that every engine had to go into a roundhouse for inspection and overhauling after a run of 200 or 300 miles. Then someone tried running an engine 800 miles before putting it in the roundhouse, and that worked all right. Now we wonder why we used to pull them out of service so frequently for inspection.

"To return to freight service, the greatest improvements have been effected in loading, better roadbeds and straighter tracks. All of these things have made for greater speed. Freight trains run on fast schedules, the same as passenger trains.

"Whatever the future holds for freight improvements certainly will be along the lines already indicated. Modern merchandising demands dependable schedules and it is getting them. If the demand for faster service comes, and the consumer can stand the tariff, doubtless operators will find a way to supply it. But I foresee no radical changes now.

"Local transportation supplied by electric rail and bus lines offers a serious problem, but one which will be solved, I am sure.

"The answer undoubtedly is coordination of rail lines and buses under single management. Wherever success is being attained in local transit, this system is in vogue.

"The fact that few local transportation companies today are earning a fair return on capital invested does not discourage me as to their ultimate future. The first test of any service is whether it is necessary. If it is necessary, it will pay. There is no escape from making it pay. The people will have it. The money will be forthcoming from somewhere.

"Undoubtedly, rail lines will remain the backbone of our local transit. It is all right to talk of buses supplanting rail cars.

"But they cannot do it in metropoli-

tan centers. Looking about in Los Angeles or San Francisco for instance, we can readily see the fallacy of such talk. Rail lines alone can carry crowds in the rush hours. They must and will remain in service.

"Do not misunderstand me as minimizing the efficiency of the bus. In its place it is a practical vehicle. Where bus service is advantageous, local transportation men should provide it, of course. And they will. The day of rapid transit is coming fast in our large cities. Such subway lines are expensive. Likewise they benefit property adjoining express stops. Therefore, it seems only fair that property which is benefited by the establishment of rail lines should help pay the cost of them. It is unfair to place the whole burden of such systems on the car riders.

"As for transportation companies also operating taxicab lines, I should say it is a local question. In some cities the local transportation managements might run taxis to an advantage; in others not.

"Everywhere, the transportation man is becoming a better salesman than formerly.

"And being a better salesman, he first produces a superior quality of product and then he sells it intensively by every kind of salesmanship, printed and spoken, which he can command."

Airlines Will Link British Empire

BEFORE the year is out England will have bound together, by that Anglo-Saxon technique she has for empire building, her vast possessions in a network of far-flung air lines. They will be of commercial import.

Today, she has completed at Montreal, Canada, Ismailiya, Egypt, and Karachi, India, mooring towers for her leviathans of the sky—the R-100 and the R-101. Towers are also under construction in her South African possessions and in Australia.

The first long flight of the R-100 to Montreal has just been completed. This flight inaugurated British commercial air service from the Old to the New World. In September the R-101 expects to take off for Egypt.

At the same time that these services are being inaugurated others of like character are being projected territorially to the end that the British Empire be as undivided in the air as it is on the sea and under the Crown.—J. L. C.

The Tangled Web of Farm Finance

(Continued from page 58)

agreement is clear enough, but this is a governmental system of banking designed to help the farmer, and how can it help him if it penalizes him? On the other hand, it must be conceded that some of the associations are responding to education and are willingly assuming their responsibilities.

Nor is the Board satisfied to tax the farmer while he is still a borrower. Even after his loan has been fully paid the Board has asserted the right to retain the farmer's stock in the association as a protection against losses on loans made while he was a member, and which he theoretically helped approve, but which have not yet been paid. Needless to say, many farmers do not like treatment such as this from their Government at Washington.

This feeling has had its effect upon the usefulness of the system. In many cases, able borrowers, startled by the discovery of their full obligations as members of a farm-loan association, have withdrawn their loans and transferred them to other agencies. It has also had the effect of frightening off new borrowers wherever alternative available credit facilities existed.

Fewer loans are made

AS A result, we find the loans of the 12 federal land banks declining and the proportion of rejected applications increasing, the latter indicating, possibly, a deterioration in the quality of the applications. Some of the decline in business is due to the unfavorable market for bonds in the latter part of 1928 and the first nine months of 1929. That cannot explain the drop of approximately 25 per cent between March 1927 and March 1928 nor can it explain the drop in the percentage of applications accepted from 43 per cent of the total in 1928 to 37 per cent in 1929.

Another phase of the recent administration of the land-bank system which has caused some rumblings not only among the farmers but also among bank officials is the multiplication of the appropriation required for the efficient conduct of the system. Whereas only \$290,000 was used by the Board in 1923, the present Board has asked more than a million dollars for the fiscal year 1930-31. This cost is divided among the federal land banks, the federal intermediate-credit banks and

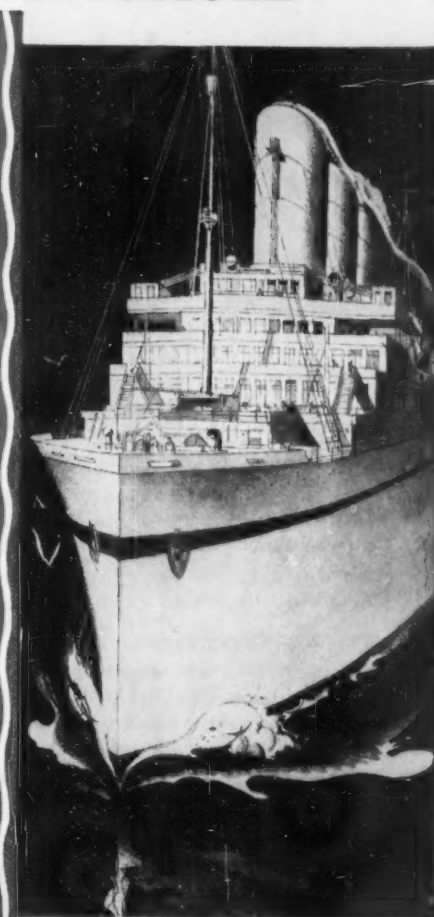
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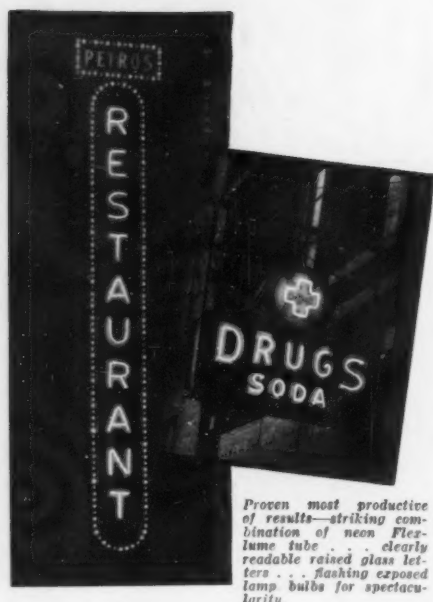
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the joint-stock land banks in proportion to their resources. The part paid by the land banks reduces the amount available for dividends on farm-loan association stock. The part paid by the joint-stock land banks leaves a corresponding gap in their own earnings.

Be it understood that this is not passing upon the merits of these complaints. They are being noted merely for the purpose of measuring the rising tide of discontent against a system of political banks which a sincere body of officials in Washington is trying to conduct on a business basis. Whether business and politics can be made to yield a satisfactory and enduring emulsion remains to be seen.

Getting rid of poor land

ANOTHER courageous policy of the Farm Loan Board which is destined to leave its scars upon the political features of the system is the determination to rid the banks of their farm lands as quickly as possible. In a private enterprise there could be no question of the wisdom of such a procedure. The action could be taken without considering long-time social and economic effects. There would be no fear of political repercussion from the exercise of a right that clearly attaches to private property, that is to say, its unqualified disposal.

The state cannot move with the freedom permitted to private enterprise. When it embarks upon a policy, be it ever so sound according to the criterions of business, it is stopped short by considerations, social in part, but preponderantly political. Here is a bank with a mass of farms on its hands. They are unproductive. They take their annual toll of taxes, insurance and depreciation. The bank is paying for the privilege of keeping them. It would be good business to give them away.

A business-minded administration in Washington urges the banks to dispose of their real estate with profit if possible, but without profit if necessary. As these farms are placed upon the real-estate market at distress prices, they demoralize it. If the other sellers wish to remain they must join the sacrificial train. The entire level of farm-land values declines, to the dismay of owners and mortgage holders.

If the depression in the market is the result of natural causes, they are suitably lamented. If it is the result of radical accounting surgery by private banks, let us say, there is general regret and pain but none will castigate these private institutions for measures justified by the final law of self-preservation.

But this is a governmental credit system, established by federal fiat. The banks were created by the Federal Government, loans were made from funds raised by this federally created institution. If these loans were made on farms unable to support them, then title reverted to a federally supervised system and the land thus acquired must be disposed of at the instance of federal officials. The resultant depression in agricultural land values can be charged up to federal agencies by other land-owners and mortgage holders.

What will happen, then, to this structure of business administration and capable personnel so painstakingly raised by the party in power when it is held accountable?

The zeal of the politician in this case is sharpened by an additional thought. We have mentioned the higher appropriations secured by the present Board. It was but fitting that a part of these grants be allotted to the workers in the form of better pay. To retain able men it is necessary to add to the psychic satisfactions flowing from the consciousness of valuable public service rendered something more tangible, that is to say, a currency which the landlord and the grocer can also accept. The new Board in its effort to continue the able staff which it now possesses has created an attractive salary scale. Furthermore the recipients are not subject to civil-service requirements. What plums await the party which declares an open season on the Federal Farm Loan Bureau!

Turn now to the benefits of this system of land banks and the incidence of the costs. For this purpose it may be well to consider the federal land banks and the joint-stock land banks separately.

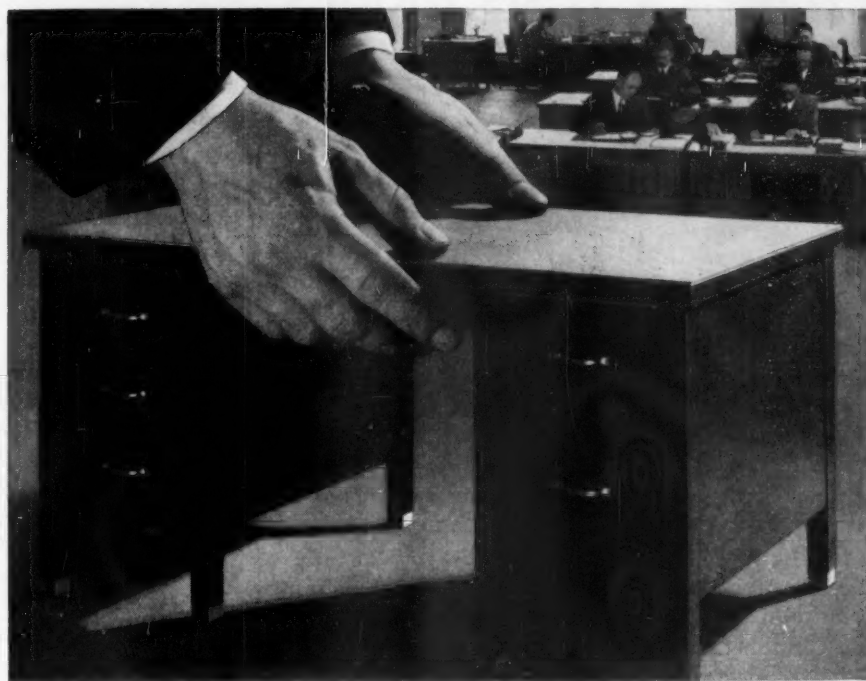
High interest proved necessary

THE law placed certain restrictions upon the rates which might be charged by these two classes of banks. Said the legislature to the federal land bank:

"You may not charge the borrower a rate exceeding that which you in turn pay upon your bonds by more than one per cent."

It said the same to the joint-stock land bank. In addition it placed this restriction upon the federal land bank. The federal land bank could not charge the borrower more than six per cent. In view of the high rates prevailing in some parts of the country, the South, Central, Northwest and Far West, it might be supposed that the interest burdens of the farmers were materially lightened. That is an illusory supposition. The

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federal land banks discovered excellent reasons for those interest rates in the greater risks prevailing in these marginal areas. The insurance companies and private lending agencies were not at all enthusiastic about loans in such territory. When the federal land banks proceeded to lend at the rates provided in the act they paid the penalty. The heaviest losses have been generally sustained by banks in those sections where the normal market rate of interest was high.

The borrowers lost

WHO bears these losses? Under the system of cooperative borrowing created in the law the losses are passed back upon the surviving borrowers. The dividends on their stock are forfeited. They may lose the stock altogether and be assessed, in addition, to the limit permitted by the law. Not only must these borrowers pay the defaulted loans of their brethren but they must also foot the entire cost of the colossal incompetence and mismanagement which existed in some of the federal land banks. Significant of the cost involved in the operation of the federal land banks and the farm-loan associations upon which they rest is the cold statistical fact that the stockholding and borrowing members received less than half the earnings which the federal land banks passed on to the farm loan associations.

In the case of the joint-stock land banks there is no collective responsibility either as between the banks or the borrowers of any particular bank. The failure of a loan falls upon the bank and if it cannot sustain the burden, as has been the case in a number of instances, the bondholder is thrown for a loss. Were the bondholder assessed only for those losses which have been due to the depressed state of agriculture it might be possible to view the matter with more charity. There are two circumstances, however, which aggravate rather than mitigate the significance of these losses.

The first is the fact that lax supervision, in part, at least, due to insufficient appropriations, made it possible for a number of unscrupulous rascals to milk the banks to their own private advantage. The Government said to these gentlemen of elastic morals, "You are engaged in a worthy cause. Go forth with our blessing and minister to the needy. We shall absolve you from certain payments which we extract from all others who raise capital." As we have seen, the opportunity was not neglected although there was some confusion

about the beneficiaries. In the second place, the Government in providing the privilege of tax exemption for the bonds of the joint-stock land banks stooped to language which borders on chicanery. Note the statement of the law on the nature of the obligations which these banks could sell to the public.

"First mortgages executed to federal land banks, or to joint-stock land banks and farm-loan bonds issued under the provisions of this Act, shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from federal, state, municipal and local taxation."

Furthermore, the law demands that each bond state that "it is issued under the authority of the Federal Farm Loan Act, has the approval in form and issue of the Federal Farm Loan Board, and is legal and regular in all respects; that it is not taxable by national, state, municipal, or local authority; that it is issued against collateral security of United States Government bonds, or indorsed first mortgages on farm lands, at least equal in amount to the bonds issued."

The wording was deceptive

THE bonds were distributed by a nation-wide syndicate of investment houses. They were purchased by thousands of investors throughout the length and breadth of the land who, reading the plain language of the statute, failed to note the subtle distinction between an "instrumentality" of the Government of the United States and an "obligation" of the Government of the United States.

The statement that the bonds were issued against the collateral security of United States Government bonds and indorsed first mortgages again yielded the impression that these securities were the prime obligations of Uncle Sam. Finally, they were tax-exempt, and this was a privilege accorded in every other instance only to the obligations of governments. Had the deception been deliberately calculated it could not have been more adroit or effective.

When joint-stock land banks failed and innocent investors found that they had been tricked it was but natural that they should question the good faith of a government which sends them astray for the purpose of providing capital to a favored industry.

There is another angle to this matter which is equally grave. When John Marshall uttered the famous *obiter dictum* that



THE BRICK AND THE SCARAB

When ordinary letters were picture drawings on sun-dried bricks, Pharaoh of Egypt, ruler of the civilized world, communicated with his satraps by messenger. His authority and prestige was represented by a scarab, symbol of eternal life, carved from a jewel and engraved with his signature.

Some executives and firms, by the inferior quality of their stationery still suggest the letter scratched on the crude brick. Others see the wisdom of the symbol of the scarab and put their signatures on Crane's Bond only.

Crane's Bond unfailingly carries a prestige message. Wherever your letters go, it will bespeak your good taste and the high standing of your business.

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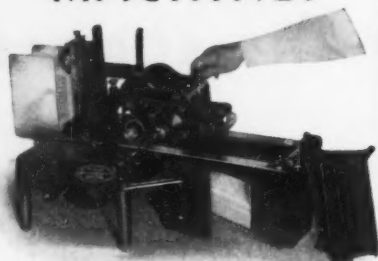
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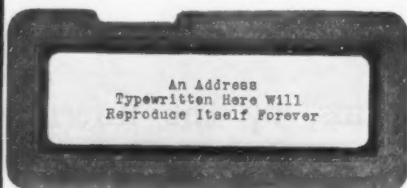
INVESTIGATE This Marvelous New DOUBLE-DUTY MACHINE!



For speedily and easily producing and directing Notices, Announcements, Bulletins and quick-action Advertisements to customers, prospects, dealers, salesmen, agents, membership-lists, etc.

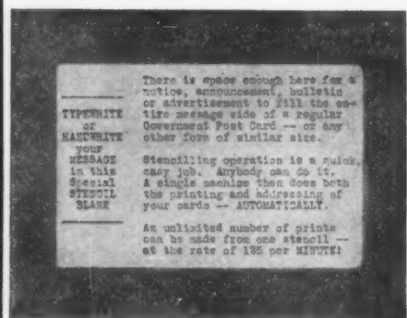
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the power to tax was the power to destroy and thus relieved a branch of the first United States Bank from local taxation, he laid the foundation for later cases which definitely established the exemption of the "instrumentalities of government" from taxation. The theory of Marshall was that a recognition of the right of local government to tax an agent of the central government would provide a weapon by which the states might subordinate the Federal Government and nullify the Constitution itself.

Later courts, arguing the equal need of local governments against the encroachments of the central government, granted similar freedom from taxation.

This exemption sprang clearly from the putative necessity of preserving that separation of the powers of the states and the Federal Government contemplated by the Constitution.

The federal land-bank bonds and the joint-stock-land-bank bonds are sold to provide capital, not for the state or any of its subdivisions, but to provide capital on privileged terms to a group of private citizens pursuing the private ends of business and profit. It is the only instance of an abuse of this prerogative and is at once a tribute to the political power of agriculture, the ingenuity of its leaders and the complaisance of the Supreme Court.

As One Shopper Sees Modelling

THERE seems to be a model epidemic spreading throughout the country. That sounds like an exhibit for a medical meeting, but what I really refer to is the epidemic of models.

A normal middle-aged woman steps into a gownshop and asks to see, let us say, black evening gowns. After she has sat in complete solitude for ten minutes or more, past her undulates a young sprig of sixteen or so in an ultra number. Repasses in bored fashion, vanishes, and ten minutes later roams past the customer in a second gown. For the majority of shoppers in any but the most Parisian of shops I claim this procedure is a mistake. For three reasons. Because a woman instinctively and by long years of painful experience knows the type of dress which becomes her (or which she thinks becomes her, and which is the same thing so far as a purchase is concerned). And she could have easily discarded at a glance six out of eight dresses, thus saving herself, the model and the saleswoman a half-hour's valuable time. Furthermore, having viewed the garment first on the model, it becomes somehow the model's dress. It is personalized, and it is more difficult for the customer thereafter to disassociate it and adjust it to her own personality.

And finally—well, I happened to be in a shop when an interesting looking woman of forty or so came in. She had a comfortable sort of figure, keen eyes, a humorous little mouth.

"Shall we model some of our lovely new frocks for you, Madame?"

"No," came the definite retort. "Put them on a chair. I don't look like a model. And what's more—I don't really

think I want to, sweet as they are. I might have—at twenty. Not now."

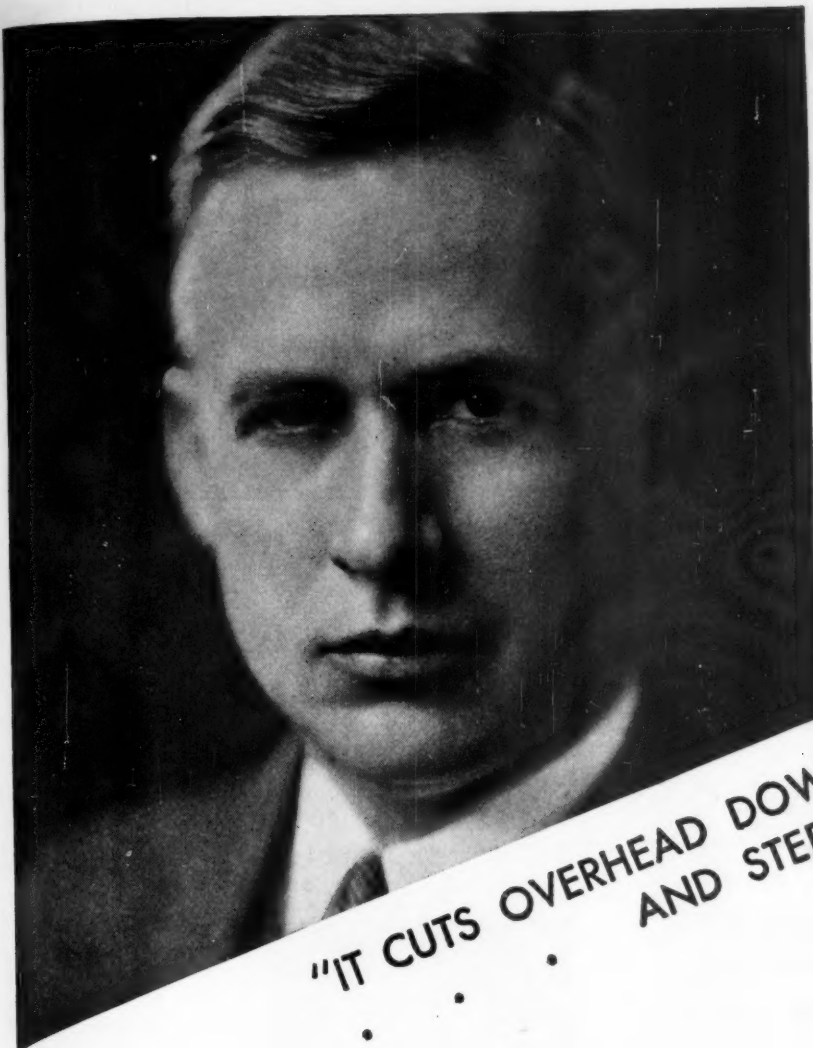
This criticism of modelling does not apply except in cases of average shopping.

Models show styles best

FOR the exhibition of styles and stocks for the information and lure of women in general, it has no rival. Lunching in the pleasant restaurant of The White House in San Francisco I greatly enjoyed the not-too-frequent and quite informal passing of lovely young women among the tables in enchanting ensembles and hats the mere viewing of which made the chicken sandwich taste better and its coming seem swifter.

The mannequin fashion of display is evidently sweeping over to us from Europe. It is from London that I hear—"Little girls of six years of age are now earning comfortable livings as mannequins. When children reach the age of six they like to be fashionably dressed, and these exacting requirements have led to a remarkable increase in the demand for child mannequins.—The children receive a weekly lesson lasting half an hour, and devote an hour a day to practice at home. The training does not interfere with their ordinary school attendance in any way.—They receive a fee of one guinea for every parade they attend."

And all the time I was thinking that sun-suits were the happy expression of the normal six-year old. One comfort, anyway—"child mannequins are forbidden to use make-up of any description." I had feared plucked eyebrows and vermillion lip-stick.



C. F. MERRELL
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Indianapolis, Ind.
says

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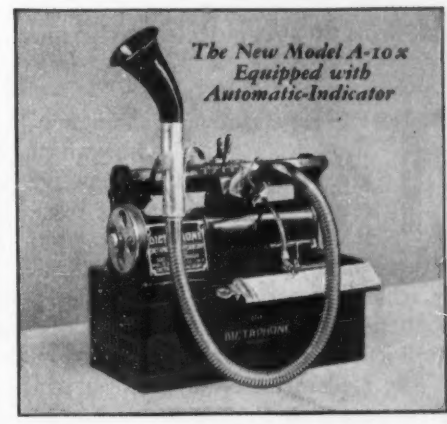
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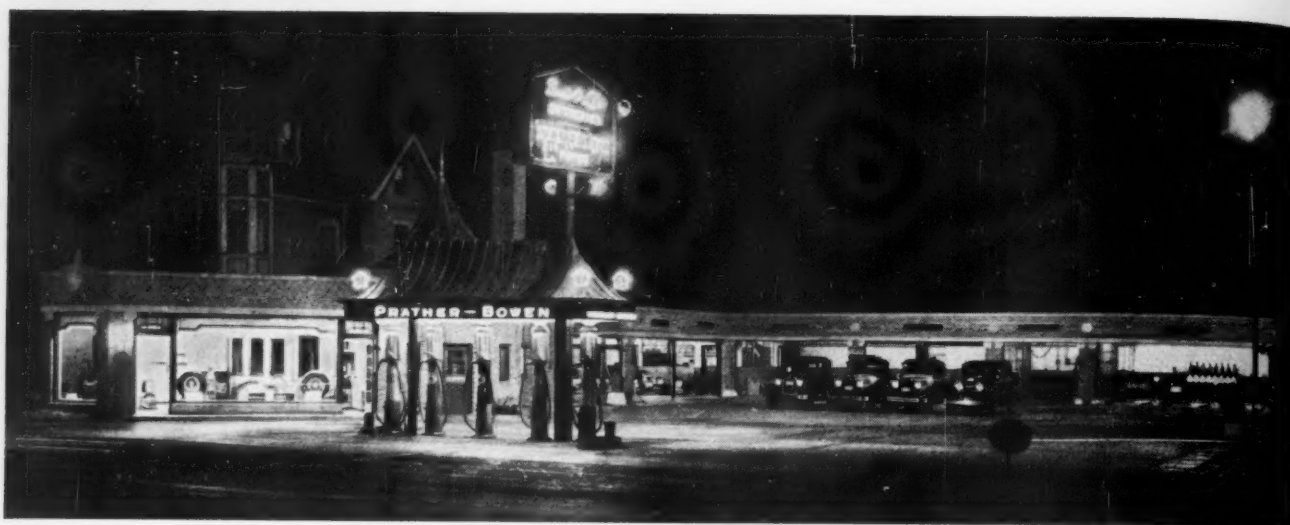
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If You Would Sell to Motorists

By C. C. PRATHER

Prather & Bowen, Inc., Automotive Service Merchants, Indianapolis

★ **AUTO DRIVERS** spend eight billion dollars a year on their cars. When Mr. Prather decided to go after his share of this market he spent two years studying motorists. The things he found out will interest you. People who spend eight billions on automobiles spend more for other things

THIS organization is an automotive department store which gives every type of automotive service except mechanical overhauling. In fact, it is more than a department store, since it applies the merchandise that it sells and retains a continuous interest in that merchandise until it is ready for replacement.

The modern motorist no longer will drive from place to place for specialized service. Congested traffic makes it difficult for him to do so, even if he would. If it were necessary for car owners to go to one place for tires, another place for batteries and still another for car greasing, gasoline, oil, brake tests, and ignition and carburetor adjustments, they would neglect many things with consequent loss of sales to the automotive trade.

To analyze the opportunities for building a profitable business in present competition and to study modern fac-

ilities which would enhance these possibilities, Mr. Bowen and myself spent more than a year in a nation-wide survey. We wanted to build a superservice station of the latest type suitable for this kind of an organization, where we could provide easy accessibility, large space, openness in the courts, and every refinement that would appeal to a high-class trade, yet not so elaborate as to give any prospective customer the impression that if he dealt with us he would have to pay more for merchandise or service.

Volume attracts many dealers

APPROXIMATELY eight billion dollars of the nation's income is spent in the automotive industry. About 40 per



GODDARD

C. C. Prather

cent of this amount goes for new cars, and 60 per cent for maintenance. The average car owner buys three tires and tubes a year. About 25 million batteries are sold yearly. Without doubt, these are two of the largest items of replacement in the motor car upkeep.

This tremendous sales volume naturally has attracted a large

number of dealers into the tire and battery field. Price cutting has prevailed to a large extent, and in recent years with lower list prices, combined with shorter discounts, this condition has been an increasing deterrent to net profits. The mail-order houses and chain stores have featured these products for many years, and it is common knowledge that they sell tires and batteries of creditable quality at prices which the independent retailer cannot meet and make a profit.

These distribution channels dispose of a staggering volume of automotive accessories. The department stores and

Why 40 per cent of our regular passengers are WOMEN



YEARS AGO we realized that our railroad could never succeed without the good-will of women travelers. Women are the most loyal friends any business can have.

We thought over all the little things that we might do to win their patronage. We knew that women, for instance, dislike jolts and jars. So our engineers were coached to start their trains without shake or jerk, to run at an even, steady pace, and to come to a stop *smoothly*.

We asked our engine crews to avoid the screechy "blowing off" of steam while a train was standing in a station. No woman likes to be startled over her meal or her book.

We particularly urged the 70,000 men and women who make up the B & O to be alert in rendering to women traveling with children the little courtesies that make the difference between a fatiguing journey and a restful trip.

Our feeling was—and still *is*—that any woman would rather travel in an air of peace and relaxation than be hustled along with cold efficiency.

Apparently they do! Forty per cent of our regular passengers are women. Won't you, Madam, travel with us on your next trip East or West and see why?

WE have a woman on our staff who makes hundreds of trips a year on our trains. She is always trying to find added ways of making women more comfortable on the B & O. She has helped us furnish our dining cars attractively, and she sees to it that our menus include the sort of food that women like.



The B&O

BALTIMORE & OHIO

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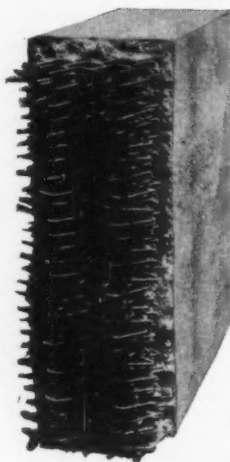


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Steelcrete vaults protect the resources of some of the greatest financial institutions in America. They may be adapted to any size of bank. Your local contractor and architect insure perfect construction.

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This partially-concreted section of Steelcrete shows the dense, impenetrable armor mat that greets felonious assault. Remember—walls, floor and roof constitute 90% of the area subject to attack, and need protection equal to that of the vault door.

THE CONSOLIDATED EXPANDED METAL COMPANIES Steelcrete Building, Wheeling, W. Va.

Branches: Boston Cleveland Philadelphia Pittsburgh Chicago New York Buffalo Detroit



OTHER STEELCRETE PRODUCTS FOR SAFETY

FRAME BAR and Industrial Mesh for Window Guards... Industrial Mesh for Safety Guards and Partitions
Metal Lath... Expanded Metal Concrete Reinforcement.

some furniture stores also have made considerable inroads into the sales volume of the independent tire dealer. These stores, being well financed, sell tires on charge accounts, which appeals to a large class of tire users. This has been a source of no small worry to the tire dealer. Prospective buyers use these prices as a leverage to obtain nationally advertised products at the same prices advertised by these stores.

We considered these conditions in our survey, but we believed there were many factors that would offset them. Tires and batteries are only two of the items the motorist requires. First in importance are gasoline and lubrication. We would include these items by all means, since they not only increase sales volume with fast turnover and a fair profit, but more important, they effect a consumer contact that could be obtained in no other way. After visiting and inspecting superservice stations in every part of the United States, we were able to incorporate the latest and most approved facilities in our plant.

Picking a good location

WE WENT to exceptional pains to study the actions of motorists under different traffic conditions. For two months we counted cars at different intersections. This survey proved definitely that a corner with traffic lights was not the right place. Motorists facing the red light cannot turn out of the lines of traffic easily or safely—those approaching the green signal will rush through. We selected a location where there are no traffic signals and probably never will be. There is more traffic by actual count to and from town at this location than on any other street in Indianapolis, and probably always will be. It is just outside the congested district and at the threshold of the city's largest and wealthiest residential section.

Our survey showed that the public likes openness, big space and accessibility. This is especially true with women drivers. We considered building a roof over the drive-in courts, but decided against it in favor of openness (we have enclosed, heated apartments in the "L" in the building where we can service 14 cars at a time in cold or inclement weather). We have three driveways 36 feet wide and one 18 feet wide, so that customers can enter or leave quickly, easily and safely. We have had many favorable comments on this feature alone. The modern swiftly moving traffic can, in a twinkling, cause hundreds of would-be customers daily to pass right by your place if the least

Firms Like These Use Our Warehouses In Distribution

Look at the wide variety of products pictured on this page. Consider the complex marketing problems faced by the makers of this merchandise. Then realize that all these products—and many, many more besides!—are distributed through member warehouses of the American Warehousemen's Association.

We receive such merchandise in carload or less-than-carload lots . . . store it for the owners at our member warehouses in 189 cities throughout the United States, Canada, Cuba, Hawaii . . . and then distribute it wherever and whenever the owners wish.

We can perform the same service for you . . . do everything that your own branch house would do in the physical distribution of your merchandise. And we'll do it for less than it would cost you to operate a branch!

A 32-page booklet tells all about our service. Send for a free copy and learn all about our plan of distribution.

Merchandise Warehouse Division
AMERICAN WAREHOUSEMEN'S
ASSOCIATION
1767 Adams-Franklin Building
Chicago, Illinois



When writing to AMERICAN WAREHOUSEMEN'S ASSOCIATION please mention Nation's Business

There are good reasons why
GEORGIA
is becoming so important to the



RUBBER INDUSTRY



THE Rubber industry is coming to Georgia as the result of first-hand experience with operations in this state. Tire-fabric production showed the way at first,—and Georgia now produces half the world supply.

Operating these fabric mills, the industry learned the efficiency of Georgia's Anglo-Saxon workers, the economy of low taxes, plentiful power, cheap fuels, low building costs. So when the South became a rich market, and southern volume warranted branch plants—they began to move into the territory.

The Rubber industry—like such other industries as Clay and Glass, Paper and Pulp, Furniture, Textiles and Full-Fashioned Hosiery—may secure detailed data on available locations in Georgia, without charge or obligation. Special engineering surveys have been made, and are offered interested executives by the **INDUSTRIAL DEPARTMENT**, Georgia Power Company, 20 Pine street, New York, or Electric building, Atlanta, Georgia.

GEORGIA
POWER COMPANY

Industry Prospers In Georgia

When writing please mention Nation's Business

traffic obstacles hinder entering easily and safely. We consider accessibility vitally important.

There are two large classes of buyers. The one buys on "price," the other buys merchandise of quality through confidence and prestige created by national advertising.

Price isn't all important

WE CATER to the quality buyer. "Price" in an organization of this kind is of minor importance. I do not believe our sales would increase noticeably were we to advertise "Prices slashed," or "Big tire sale now going on," since the public will not buy tires or batteries until the actual need arises, and cut-price signs have become so common that they mean little.

The habitual mail-order or chain-store customer who will do without service, buys there when he needs merchandise, and he often is skeptical of the small dealer who sells on "price." He wants quality too, but he wants it at low price. He has come to believe he can get both at the mail-order house or chain-store. The independent dealer who sells on "price" has something to sell only as long as his price is lowest, and under these conditions he cannot obtain a profit that will enable him to survive.

The dealer who handles advertised products—who can service them in clean, inviting surroundings, and stands back of his goods with his personal guarantee as well as that of the manufacturer, has something of definite value to sell. He can ask and receive a fair price, which affords him a legitimate profit. This type of dealer must forget the low-priced competition and sell his merchandise on quality and service. If he is going to give all that he does give, he cannot, and need not, establish his prices on a par with those organizations which do not give such service. To accomplish this, he must employ real salesmanship, and be able to present logical reasons why his merchandise and service are worth the price asked.

These conditions apply more particularly to prospective customers. Established customers never question the value of the service, and many times do not even ask the price.

We believe inefficient and untrained personnel costs retail organizations millions of dollars in sales annually. This is particularly true in the tire and battery business. Inefficient personnel may lose a sale entirely, or fail to sell the customer all that he needs and is able to buy. The proper presentation of these needs, or demonstration of the

merchandise frequently brings more sales.

For these reasons, we have employed college men in every department where there is a selling contact. Even the attendants at the gas pumps are college men, as this is the beginning of the sales contact, where there are almost unlimited opportunities to increase sales.

While we advocate no policy that might antagonize a customer by undue pressure, we do know that the proper suggestion at the right time leads to more sales and makes the customer feel you have an interest in his welfare, and in the economical operation of his car.

Here is an example. Mr. Motorist enters for gasoline. It is so easy for him to say "Five gallons, please." Our attendant anticipates him, and asks to fill the tank. Often this is granted. No man wants to drive his car with insufficient oil, so our men always check it. Should the oil be low, more oil is sold easily, or, if it is in bad condition, an oil change is advised, and nearly always accepted. The customer appreciates this attention.

Sales can be increased

RECENTLY a motorist came in for five gallons of gasoline—a dollar purchase. He was in a hurry, with a thousand-mile trip ahead of him. The attendant quickly tested the oil, found only two quarts in the crank case, and that was in bad condition. He suggested changing it then as it would be the most economical time to do it. Result, an order to change the oil.

Then the attendant asked to flush the crank case. The owner visualized his long trip, and said "yes."

Then the motorist remembered a bad noise in the clutch, asked about the cause of it, and the service man told him it probably needed greasing, because so many stations do not grease this point due to its inaccessibility. An order was given to grease it.

In about 30 minutes, this customer spent \$3 for service he did not know his car required. He went away pleased, because the need was pointed out to him diplomatically.

We have increased our service-station sales more than 100 per cent by this policy, and it is adding friends constantly. When conditions are right, this plan easily sells new batteries, new tires, brake service, car washing, greasing, and vacuum cleaning—all without boring the customer.

Much of this plus business begins at the gasoline pumps; therefore we want

salesmen in this department as well as in the sales rooms. The don't-care type of service man, or the poorly paid, untrained salesman can, and usually does, permit more profitable business to get away than his meager salary is worth. The plus sales which a capable man can produce, fully justify the management in paying good salaries to men who can sell. We consider it poor economy to sacrifice major sales to the few dollars that could be saved in employing mediocre personnel. It is costly to train men to work efficiently, and our plan has reduced employee turnover to the minimum.

No tipping helps service

TIPPING is an imported habit which has grown extensively, yet except in cases of very unusual service, we believe the public inherently resents tipping. On the other hand, analysis indicates that genuinely self-respecting Americans who receive salaries that enable them to live well and save something do not want gratuities.

We talked this over with our boys and they agreed not to accept tips. When they are offered, they are graciously declined, with the statement, "This is just a part of our service."

This policy has given us much favorable publicity—many customers have commended us, and they tell their friends that Prather-Bowen's employees do not accept tips.

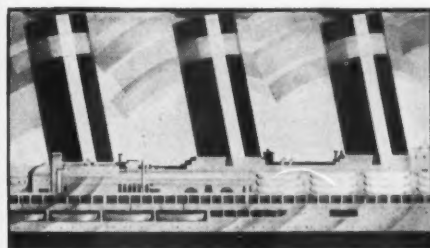
One of our boys recently made a night service call. He changed a tire in a hard rain, and was in considerable danger of injury from passing cars. The customer offered him a generous tip, which was firmly but courteously declined. This customer visited us the next day, personally to compliment our organization in general, and this young man in particular. We believe this customer's influence will go far to establish confidence and good-will for our organization.

We spared no expense to obtain the best equipment for each department. Experience proves that good equipment not only reduces labor cost, but is highly effective in selling merchandise. Our air compressor has much greater capacity than actually is needed. This provides an abundant supply of air for all present requirements, with a surplus for greater volume as business grows. Nothing is so exasperating to the car owner as to find no air when he wants it. More than likely, he will judge our other service and merchandise from this disappointing experience.

Good equipment speaks for itself and



THE TRANSATLANTIC VOGUE IS... THE LEVIATHAN!



Step across that lustrous cloth of gold into the brilliant, exotic Club Leviathan . . . dance 'til dawn to a marvelous Ben Bernie dance orchestra . . . sit in rapture before first run "Talkies" . . . telephone home from far out on the blue Atlantic . . . read financial glad tidings on the black-board in brokerage offices which provide a continuous stream of quotations . . . play the hours away at golf, tennis, ping pong and shuffleboard . . . cool your pulse in the gorgeous Pompeian Pool . . . dine of a cuisine that is an epicurean art . . . be serviced by a staff that is the last word in graciousness. Then, and then only, will you understand why those fashionables who are front page news go to Europe . . . on the magnificent LEVIATHAN, World's Largest Ship.

UNITED STATES LINES

For complete information see your local agent or our offices: New York, 45 Broadway; Atlanta, 714 Healy Building; Boston, 75 State St.; Chicago, 216 N. Michigan Ave.; Cleveland, Hotel Cleveland Building; Detroit, 1514 Washington Boulevard; St. Louis, Jefferson Hotel; Philadelphia, 1600 Walnut St.; San Francisco, 691 Market St.; Los Angeles, 756 South Broadway; Minneapolis, 312 Second Ave., South; Seattle, 1337 Fourth Ave.; Pittsburgh, 705 Liberty Ave.; Washington, 1027 Connecticut Ave.; Little Rock, Wallace Building; New Orleans, Hibernia Bank Building. Berlin, Unter den Linden 9; Hamburg, Cor. Alsterthor & Ferdinandstrasse; London, 14 Regent Street, S. W. 1.; Paris, 10 Rue Auber. THESE LINES OFFER A COMPLETE FREIGHT SERVICE—SPECIFY AMERICAN SHIPS FOR YOUR FOREIGN TRADE.

When writing to a UNITED STATES LINE office please mention Nation's Business



A Trusted Messenger Three-Quarters of a Century Ago —and Today

IMPORTANT records of cities, counties and states have been made on Byron Weston Co. Linen Record paper for nearly three-quarters of a century, and these records offer mute evidence of the durability and permanence of that paper.

Today, Byron Weston Company papers are made to the same high standard. The seven papers listed here offer you the choice of a specialty paper for a specific purpose.

BYRON WESTON CO. LINEN RECORD is used where **ONLY THE BEST** will serve
Records Deeds and Wills Policies Stationery
Minute Books Ledgers Maps

WAVERLY LEDGER is used where
QUALITY AND COST ARE FACTORS
Blank Books Ruled Forms Pass Books Drafts
Stationery Legal Blanks Diplomas

CENTENNIAL LEDGER is used
where a **GENERAL UTILITY PAPER** is required
Ruled Forms Broad-sides Accounting Forms
Stationery Pass Books Legal Blanks

FLEXO LEDGER is used where a
FLAT LYING LOOSE LEAF sheet is desired
For High Grade Loose Leaf Ledger Sheets and
Special Ruled Forms

TYPACOUNT LEDGER is used where
quality and permanence are required in
Machine Posting Forms

**WESTON'S MACHINE POSTING
LEDGER and Index**
a grade below Typacount—But Made to the
Same Exacting WESTON Standard

DEFIANCE BOND is used where a
quality bond of **HIGHEST CHARACTER** counts

*If you are not familiar with the complete Weston
line, please send for samples.*

BYRON WESTON COMPANY

*A family of paper makers for nearly
three-quarters of a century*

DALTON, MASS., U. S. A.

Leaders in Ledger Papers

When writing please mention Nation's Business

the customer instinctively knows he can obtain satisfactory service. We installed the latest type of battery analyzer which tells exactly the condition of every cell of the battery. It is situated where the customer can see it operate, and when his battery is tested on this machine, he can have no doubt as to its exact condition. Then it is easy to sell him the service he needs.

I think many tire dealers overlook the possibilities for increasing sales by neglecting to check wheel alignments. Perfect alignment means much to the car owner, as any slight deviation from the correct adjustment is expensive and dangerous and causes fast tire wear.

We have a man who is trained thoroughly in every phase of wheel alignment, and we guarantee our adjustments. This service has proven to

be a splendid business builder for us.

I have been associated with the tire industry for 14 years. Only ten years ago most tires were sold from the exclusive tire stores and most often with only curb service. Tire dealers carried few, if any side lines. The service station as it exists today was unknown.

Large numbers of motorists bought lubricating oil in one-, five- or fifty-gallon quantities, and added new oil to the old, as the motor consumed it. Car greasing was undreamed of, and doubtless many cars went to a premature demise through the lack of proper lubrication.

When the modern facilities are compared with those of ten years ago, it is easy to see that maintenance has kept apace with the advance of the motor car.

Harnessing the Columbia River



The Rock Island site, with proposed dam and plant drawn in

THE Columbia River—a stream holding more available hydroelectric power than any other in the United States and, perhaps, in the world—is about to be harnessed for the first time.

A dam 60 feet high and a half-mile long, with the power house as a part of it, is to be built across the stream at Rock Island, 13 miles south of Wenatchee, by the Washington Electric Company, a subsidiary of the Puget Sound Power and Light Company. The initial generating capacity will be 80,000 horsepower, while ultimately a

maximum of 240,000 horsepower will be developed.

This will merely scratch the surface of the hydroelectric possibilities of the Columbia, however. These have been estimated to be in excess of 1,980,000 horsepower.

Curiously, the present project will develop its greatest power when the Columbia is at its lowest stage. This is because the dam is comparatively low. When the river is at its maximum the dam will look like a mere riffle in the great stream and thus will give the water scant fall.

A GOODRICH DEVELOPMENT

that makes rubber products last two to five times longer



Recently perfected age-resisters credited with savings to consumers of \$50,000,000 yearly* by lengthening life of hundreds of rubber articles

WHY SILVERTOWNS last longer! This tire, famous for its performance records gets much of its long life from Goodrich-developed age-resisting compounds used in its manufacture.

LOOK at the two pictures above. They tell a story of an amazing B. F. Goodrich development.

Both of these bathing caps, when new, were placed in a Goodrich laboratory testing unit, a "life oven"—which in a few hours produces effects equivalent to many months of natural aging.

The pictures show what happened when the caps came out of the "life oven." The cap on the left looks new. It has its original gloss and sheen. It has elasticity. It is strong and durable.

Now look at the other cap. It has disintegrated. It strips into ribbons when you try to stretch it. It has lost its lustre, its sheen. It is ready to be thrown away. In past years, nearly everyone has seen this same

thing happen to all sorts of rubber goods.

What causes this amazing difference? Why did one come through the aging test like new while the other one was destroyed?

Goodrich chemists had perfected an anti-oxidant or age-resisting compound, "Age-rite," that makes rubber last and last—long after ordinary rubber has worn out completely.

The cap at the left had this amazing anti-oxidant in it—the one at the right did not.

This same remarkable Goodrich compound is applied to many other rubber products—large and small—for various uses. It is one of several Goodrich devel-

opments which have been made available to the entire industry.

Goodrich is constantly carrying on experimental work for the good of the rubber industry and the welfare of the public.

Executives interested in the possible application of rubber research to their industries are invited to address the Chairman of the Goodrich Industrial Research Committee. Goodrich is glad to undertake special investigation and research whenever practicable. Goodrich, Established 1870, Akron, Ohio.

* See the report "Recent Economic Changes" (Vol. I, p. 115) U. S. Department of Commerce, in which this important development is listed. The Committee making the report included many of the nation's best known economists.

AGE-RITE

Another **B.F. Goodrich** *Product*

Goodrich now manufactures 32,000 rubber articles, representing more than a thousand distinct rubber products—Goodrich Silvertowns • Zippers • Rubber Footwear • Drug Sundries • Soles • Heels • Hose • Belting • Packing • Molded and Hard Rubber Goods

When writing to GOODRICH INDUSTRIAL RESEARCH COMMITTEE please mention Nation's Business



Thanks to the Hackney Full Removable Head

THERE'S not a chance for water or dirt to seep into Hackney Full Removable Head Steel Barrels and Drums.

And when the head is removed, by loosening a single bolt, not a lug or inward projection of any kind obstructs the opening.

The upper rim curls outwardly making a smooth, round edge.

And the interior is free from all cracks and crevices that

might catch and hold the material.

Because of the absolute leak-proof construction of Hackney steel barrels and drums—the easy handling, emptying and cleaning—they are being used to ship all kinds of bulk materials.

More Prominent Users

No wonder Hackney Steel Containers are used by such industrial leaders as:

Colgate-Palmolive-Peet, Vacuum Oil, Sherwin-Williams, Frigidaire, Johns-Manville, Hercules Powder, C. & N. W. R. R., Virginia Smelting, and many more.

Your inquiry regarding the relative costs of shipping in Hackney steel barrels, drums and cylinders will receive our courteous attention. Also ask for the catalog.

And Hackney's rugged strength to stand up year after year under the hardest kind of shipping abuse, is giving these users far lower shipping costs.

PRESSED STEEL TANK COMPANY

1179 Continental Bank Bldg., Chicago 1355 Vanderbilt Concourse Bldg., N. Y. City
5777 Greenfield Avenue, Milwaukee, Wis. 487 Roosevelt Bldg., Los Angeles, Calif.

Hackney

MILWAUKEE

When writing to PRESSED STEEL TANK COMPANY please mention Nation's Business

The British Philosophy of Business

(Continued from page 26)

neering," a technical organ which no laundryman had ever heard of, let alone read. It is true that we built plants for battleships and foreign governments, hospitals and so on; but the advertisement was so small and inconspicuous, that I doubt whether anyone ever saw or cared.

Indeed, that was the idea. It was not supposed to be seen! It was mere concession to a dimly understood idea. It was, in fact, a four line announcement of our name, address and line of business. Beyond that our advertising consisted of an occasional dreary half or quarter page in the organs of contractors and laundry associations.

They resembled the advertisements of half a dozen other manufacturers. There was not the slightest attempt to use design or color or to reach the human side of a customer.

We all had a feeling of shame, I imagine, at being in business at all. If anyone objects that, a quarter of a century ago, a firm could not have used design and color and human interest, let him turn to the magazines of those days and see the magnificent designs in color used by Pears' Soap, Fry's Chocolate and similar great firms. There was no lack of technical resources and equipment in printing. What was lacking was imagination and enterprise.

New ideas not welcomed

WHEN I spent a few slack afternoons in the drafting room designing a small electrically-driven washing machine suitable for rich private residences, my boss warned me to attend to my business of planning imaginary steam plants or I might have to get out. We had just fitted up an electrically-driven repair shop in London, and it had given me the idea, "Every House Its Own Laundry."

But when I faced loss of my job I dropped that idea.

Extreme conservatism of this kind naturally let in competition. Free trade and low ocean freights permitted American manufacturers to undersell us. Freight rates from New York to London were about \$2.50 a ton. Railroad rates from our factory to London, about 200 miles, were \$10 a ton.

The English machines were more solidly made than the American types, but they sold more slowly and were not

in line with new times and ideas. The only argument we could advance for the higher price was durability. But there was no sense in preaching durability to a man who wanted a light, cheap machine that would make money for him even if it did wear out in five years.

It must not be supposed that the modern American advertising gospel is gold without alloy. American publicity is a machine-gun which aims at a target but wastes a lot of ammunition. English advertising is a slightly antiquated piece of ordnance which often fires a blank charge in the wrong direction.

Where advertising doesn't help

AN EXAMPLE of the American failure to understand a situation came to my notice in Smyrna after the war. A young Frenchman was telling me that he very much wished to take up an agency for American agricultural machinery suitable for tobacco farming. But the American manufacturers insisted that he must advertise. He asked me how much good that would do, when not one Turk in a hundred in Anatolia could read.

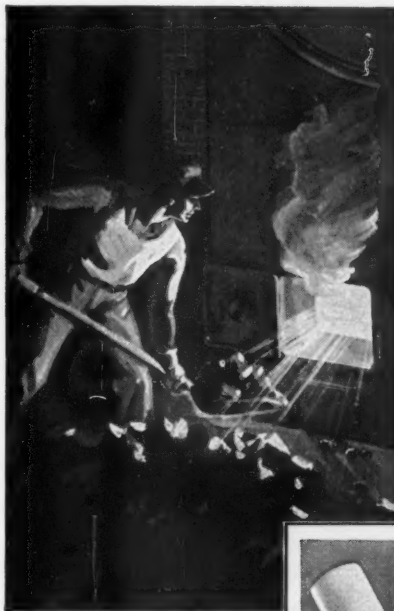
The way to sell a tractor to a rich Turkish farmer, he told me, was to drop in for a few days and smoke and drink coffee with him. In due course the conversation would come round to the subject of machinery.

The young Frenchman said he could not make the American firm understand this. I said I could quite believe him. Long before, we had been unable to make American car manufacturers understand that there was no market for them in England until they standardized their screw-threads and so forth. Nobody was going to wait a month to get delivery of a spare half inch nut with an American thread.

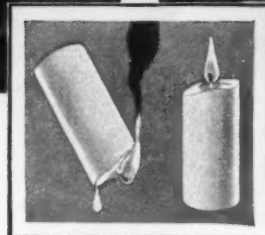
Technical men complain that the public is unaware of the important work of the Standards Committee; but technical men themselves resisted the idea of international standards for generations. An American light bulb would not fit a foreign socket or voltage, to take a well known instance.

The credit balance in favor of American methods, so far as the salesman is concerned, remains. To me, remembering the apathy and resentment I used to encounter, the seller of a nationally advertised product seems to have a fairly pleasant job. He is at any rate in direct communication with his customers. They have heard of his line. He is at peace with himself. He may encounter sales resistance in his prospects but he is spared the paralyzing feeling that he is suffering from it himself.

Two boilers, side by side, tell a startling Iron Fireman story



Hand firing is exactly like burning a candle upside down. It makes smoke for the same reason.



Iron Fireman "Forced Underfiring" is like burning a candle right side up. Both fuel and air come from below . . . no smoke . . . no waste.

TWO BOILERS of the same make and horsepower side by side . . . one man busy firing them . . . demand for all the steam these boilers can produce . . . then the owner installs an Iron Fireman under one of them . . . and it picks up the load of both boilers and "walks away with it." This happens often.

Iron Fireman *non-agitated forced underfiring* makes a firebox temperature 500 to 1000 degrees hotter than hand firing. *The fire is hotter and stays hotter.* It is not cooled every few minutes by opening the fire door as in hand firing. Combustible gases are consumed instead of being wasted in smoke. Through positive automatic controls, Iron Fireman is regulated

by room temperature, water temperature, or steam pressure. These controls hold heat or pressure exactly where it is wanted, *automatically.*

As a result, Iron Fireman saves money. . . *much money!* A recent questionnaire, answered in detail by 392 users, showed fuel savings averaging 31.62 per cent — equivalent to an annual return of 39.44 per cent on the costs of their Iron Fireman Automatic Coal Burners.

Complete data mailed on request. Iron Fireman Manufacturing Company, Portland, Oregon. Branches in Cleveland - St. Louis - Chicago - New York. Dealers in principal cities of United States and Canada.

© 1929 I.F.M. CO.

IRON FIREMAN AUTOMATIC COAL BURNER

*... the machine
that made coal
an automatic fuel*



When writing to IRON FIREMAN MANUFACTURING COMPANY please mention Nation's Business

Nature Keeps You Inefficient

By J. LEROY MILLER

NO matter how perfectly tempered and conceived management may be, no industrial concern can hope directly to control more than a third of the factors that make or mar the efficiency of its workers.

Such, at least, is the conclusion of Prof. Rex B. Hersey, who has just completed a most unique and interesting research for the Pennsylvania Railroad and the Industrial Research Department of the University of Pennsylvania.

The company wanted to know just how and why a man's efficiency varies. Just what effect have his ambitions, his disappointments, his fits of depression, spats with the wife—all the tremendous range and complexity of matters that may be embraced by the term "extra-plant relationships."

Studying workers

TO discover these things the research worker actually lived with and entered into the life of the men chosen for the test. He dressed like a workman, chewed tobacco, carried a dinner pail and appeared at the round house or locomotive repair shops at the same time as everybody else. Desiring complete sympathy and greater understanding he accepted invitations to dinner in the workers' homes and spent his evenings in their company.

That is how he achieved the freer cooperation of the 17 men who had consented to become laboratory subjects and make the very intimate revelations that the test demanded. In exchange for their assistance they were given the promise that none connected with the railroad would ever see their records individualized and with name attached.



NO MATTER how much interest you or your employees may have in your jobs, you can be efficient only part of the time. That is one of the interesting facts that science learned in an exhausting study of railroad workers.

The information they were required to give was most exhausting. Four times a day—when they arrived in the morning, at eleven, at two, and just before they went home again they were questioned about their emotions and what they thought caused them their pains and aches, their feelings of fatigue, how

they had slept, their sex relationships—indeed everything which might have the remotest bearing on their efficiency.

There were three periods of study, two of thirteen weeks and one of ten with intermissions for rest of four and eight weeks. Progress was satisfactory. The men chosen were normal individuals, entirely satisfied with their jobs in repair shop or round house and of sufficient intelligence to cooperate and appreciate the research worker's viewpoint. Speedily they were able to give information without the wearing process of being drawn out.

Twelve finished tests

THEY told the truth with but a single exception. One man sometimes thought the questions a bit too personal. Twelve, however, finished the tests; three leaving the employ of the railroad and two dropping out, and it is from these particularly that the conclusions have been drawn, though the information given by the others was used as supplementary data.

An interesting sidelight was the attitude of the several hundred workers not included in the test. It might be imagined that the 17 came in for an immoderate amount of "razzing," but that was not the case. There was even a bit of jealousy. One day someone remarked:

"The boys of the wrecking gang are a bit sore. You haven't been around to see them for a couple

of days, have you?"

Hersey found that he had to spend considerable time talking to everybody, then "his men" were let alone.

One of the surprising facts ascertained is the tremendous effect of the emotions upon a worker's efficiency. All sorts of things, whether they arise from circum-

stance or purely mental reasons, veer him one way or another. Indeed it is difficult to say which has the greater weight—things feared, imagined, or anticipated, and hence, at the time at least, only real in the brain or things that have actually happened.

It can, however, be definitely said that a worker is positively at his highest pitch of efficiency when he is in what has been termed a "neutral plus" condition which, according to Prof. Hersey, "implies a pleasant, confident feeling of reserve power, and energy that will enable us to tackle a job and do it, in spite of a realistic conception of difficulties."

Worry hurts efficiency most

IN DIRECT contrast to this ideal state is the condition of being worried, it being of all emotions the most inimical to efficiency.

Happiness or elation, on the other hand, is not particularly conducive to large output unless the worker is confined very closely to his task. The tendency is to roam about and talk and have a good time. For example, a certain executive whom Hersey studied in another company was found to do the greatest amount of work when his energies were not too superabundant. He then stuck at his desk and concentrated. At other times he was likely to visit everyone in the building and tell them how they ought to run their affairs.

But whatsoever may be the negative effect of fear, sadness, pessimism, disgust, anger, peevishness and suspicion, one fundamental fact stood out above all the others. Every worker studied was subject to an apparently race-old cycle of high and low efficiency, a thing which likely occurs in all of us with immutable law. The records demonstrated that if a certain man's period was seven weeks it also might show a variation of a week one way or another.

"I could not realize," said Prof. Hersey, "that here in this complex civilization of ours, composed as it is of complex human beings, there could be a sort of law and order moving so smoothly and certainly through our tangled emotional lives.

"But what does it mean? During the high weeks a person's drive toward activity in general is greater. He usually goes at his work with a vim, and does those things that may have been waiting two or three weeks and which he has put off from day to day. He feels so well physically that he anticipates the pleasures of the future or he plans ways of increasing his money earning power,

Kemp Brings Efficiency to All Process Heating



Competition Was Closing In. The Future of a Long-Established Business at Stake!

For several years competition had been closing in on a mid-western manufacturer. The quality of his product was neither uniform nor dependable, production costs were high. Customers were kicking and competitors were delivering. The future of the business seemed doomed. Finally the stockholders demanded an explanation.

A new factory superintendent rolled up his sleeves and tackled the job. The man was open minded—awake to the task. He knew that new developments in industry had come with lightning speed and regularity, that standards of quality and excellence were racing onward, that change is the order of the day. He realized that the proper application of heat had not, in this factory, kept pace with the industrial advancement.

He went deep into the study of more successful competitors. Sought out the most efficient heating system money could buy—called in a Kemp engineer.

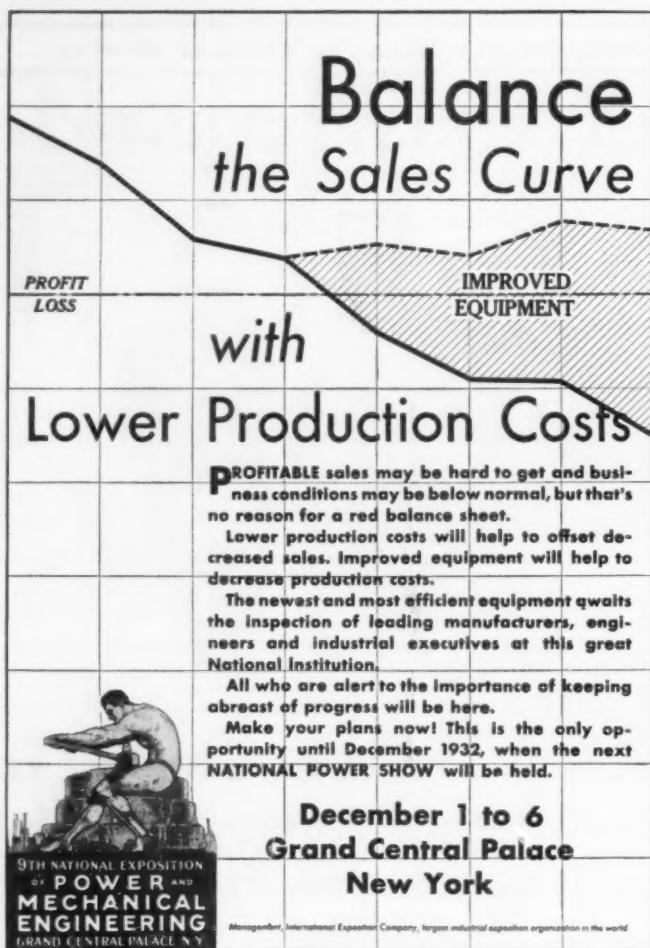
As a result the Kemp system went in and production costs went down. Today the firm once more enjoys leadership—its product dependable and the quality greatly improved.

The Improved Kemp Automatic Gas System



BALTIMORE MARYLAND

When writing to C. M. KEMP MFG. Co. please mention Nation's Business



WHEN a cost-reducing dividend involves a sacrifice in quality of protection, it deserves little consideration. But, when quality remains untouched—and the dividend is earned by economical management and reduction of losses—it must interest any careful buyer.

CENTRAL policies offer protection of unquestioned quality—fair adjustments and prompt payment of losses—and the definite saving represented by our dividend.

CENTRAL policies are written through local agents. Full information, with name of nearest representative on request.

**CENTRAL'S
DIVIDEND
SINCE 1921
HAS BEEN
30%**

Deposited
10%

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MANUFACTURERS MUTUAL INSURANCE COMPANY
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A Friendly
Company

Fire, Automobile and Tornado Insurance for Select Risks

getting a new automobile, or rising in the world in some other way. Almost nothing seems impossible.

"What is the opposite picture? During the low period it is a drag to work. If he is compelled to carry on several activities at the same time he feels the effect most strongly. He does not mind just sitting quietly and thinking, but if he has to put energy into it, the task becomes a heavy burden."

When the data from the research has been completely analyzed, Prof. Hersey, working in conjunction with the Foremen and the Committee of Workmen, will make certain recommendations.

Just what they will be is not now known. Although the research worker indicated certain practical possibilities.

In other words, management should be sympathetic and helpful in quarters which it now regards as negligible or beyond its scope. Or as Professor Hersey himself stated:

"It has been thought that it is the personnel man who should be the psychologist, whereas it should be the foreman. It is up to him to make those small but extremely important adjustments that would mean so much to the efficiency of every man who works in the shop."

There are already foremen who consciously or unconsciously do this very thing. In fact, the research worker himself has worked with a man who, in many ways, approached the ideal.

Sympathetic toward his workers

HIS unusual and outstanding characteristic was the fact that beyond all others he took everything into consideration. This foreman knew how to meet a crisis and to extract every iota of productive efficiency when urgent necessity demanded it.

He attended weddings and other social functions of his men, and seemed always to know when a man's wife was ill or when there was trouble at home. Never was there a foreman who commanded greater love and respect, and yet it is quite likely that he was not as well liked by his superiors as many others. He was too thoroughly the champion of his men for that.

Whatsoever, then, may be the practical result from this remarkable research, it also indicates a modern trend.

Industry having achieved scientific exactness with material and machines is now seeking the same precision in the management of personnel.

Whether it can ever be accomplished, time alone will tell.

What Wall Street Is Talking About

By MERRYLE STANLEY RUKEYSER

AS THESE words are read, about a year has elapsed since stock prices soared to an unprecedented peak. The tumbling down process has been far more rapid and more dramatic than the earlier building up of the speculative structure. The pessimism engendered by the deflationary process is perhaps even less warranted than the earlier excessive optimism because growth through the years is the law of American business.

In the past, panics, periods of intense depression and slow business have proved only temporary interruptions of the long term forward march of American commerce. Until business men become more civilized, the world will perhaps need recurrent interludes of adversity during which executives again learn the stern rules of business survival. The present recession has already resulted in a cutting away of wasteful business activities and has quickened the development of efficient methods. But the price paid for this correction has been excessive, particularly since the cost has fallen largely on the shoulders of those least able to bear it—the unemployed workers.

Business already has proceeded nearly a year and a quarter since the trade peak was attained in June, 1929. Many of the unhealthy symptoms in the body economic have been eliminated and the trend is distinctly toward better times. The outlook is complicated by the fact that the recession has not been a national development but an international one, tracing its origin all the way back to the destruction of capital during the war and to the dislocation of channels of commerce which were part of the peace treaty.

International depression was further heightened by the abnormalities resulting from the American bull market which culminated Labor Day a year ago. While the bull market raged, New York was acting as a magnet drawing free funds from all parts of the world and thus indirectly subjecting much of the rest of the world to credit starvation. The inadequacy of international credits resulted not only from the effect

of the bull market in New York but also from the policy of the Bank of France of accumulating gold reserves far in excess of the national need.

RECOGNIZING the importance of international credits on the world trade situation, Owen D. Young, one of the wisest men of the present generation, in a recent speech pointed out:

"I venture the statement that these much maligned international bankers have done more in the last ten years and will do more in the next ten for the relief of our farmer and our industry than all the government agencies which have been or can be employed. The further development of our international finance, the better development of the world's credit facilities, will, more than anything else, create actual buyers for our surplus wheat, cotton and the products of our mines and factories.

"Just as our own banking facilities have promoted the purchase by our own people of larger quantities and more diversified kinds of goods, irrespective of where they may have been made in the United States, so an improvement in international credit machinery will be of the greatest benefit to the United States as a creditor nation having surpluses to sell. In fact, either international finance and credit must be developed to a much greater degree than now, or our tariff will have to go if we wish to sell our agricultural and industrial surplus abroad."

IN this connection it

is interesting to observe that the return of cheap money has already enormously quickened international financing. The sale of new foreign bonds in the American investment market during the first half of the current year was nearly double that during the corresponding period in 1929.

The factor which attracts the American investor to foreign obligations is the superior yield. A comparison of yield indexes of foreign bonds with those of high grade domestic bonds in the period from 1920 to 1928 reveals that, at offering prices, foreign bonds offered a return of more than a point and two-thirds greater than that of domestic bonds, or 35 per cent more. The comparison of domestic bonds was made of a group consisting of 15 industrial, 15 railroads, 15 public utilities and 15 municipal bonds.

Since 1920 Europe has borrowed 40.5



The Manhattan Company Building, an Etching by Anton Schutz

The First Problem of Sound Investing

It is not "how *shall* I invest my surplus funds?" but "how *should* I?". Every investor must answer this primary question for himself. He alone has the knowledge which enables him to correctly appraise his personal financial situation and outlook. If he decides that investment securities provide the best answer to his problem, his next step is to call on an investment organization qualified to supply his particular needs.

The National City Company, with important investment contacts in all of the world markets, has the broadest possible opportunity for investigation, analysis and selection of securities. The distributing organization of the Company thus is able to submit to investors a wide range of securities singled out from the world's choicest offerings.

If you have surplus funds awaiting investment or wish to have your present holdings reviewed, you will find helpful assistance at any of our offices.

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Think of your subscription to NATION'S BUSINESS as an insurance policy against missing ideas which might be worth thousands of dollars to you in your business. Each month the articles in this magazine carry ideas. You may not find one valuable to you in a year. But if you do . . . and we think you will . . . your investment of \$7.50 for three years may be multiplied a thousand fold. And your "insurance policy" will be more than justified.

per cent of the total loaned to foreign countries. Canada took 26.5 per cent and Latin America 23.5 per cent. Far Eastern issues averaged 9.5 per cent.

Of all the foreign countries, Canada was able to get funds on the most economical basis, paying on the average only 11 per cent more than domestic borrowers. New European and Latin American bonds offered the highest yield averaging two points or 41 per cent better than domestic bonds. Far Eastern borrowers paid more than 1.44 points or 30 per cent more than domestic issues.

ADVERSITY has constituted a new test of the quality of management. Facing a disrupted market resulting from the collapse in new residential building the American Radiator Company recently set out to develop a new market by modernizing heating equipment in old homes. M. J. Beirn, vice president in charge of sales, recently told me that the early results of the campaign were extremely gratifying. Commenting on the campaign, Mr. Beirn said:

"Our own experience has again proved that 'necessity is the mother of invention.' After the stock market debacle, new residential and other building construction declined almost to the zero point. Like many others, our company found itself in a position in which it seemed advisable to sit back and wait and pray for better times. That, however, would have entailed the closing down of several factories, the general cutting down of sales expense, and a generous contribution to the ranks of the unemployed. That is exactly what President Hoover requested industry to prevent when he assembled the business and financial leaders of America for a conference in Washington last fall.

"In so far as the heating industry was concerned, the only answer to the President's request was obvious. Since new building construction had practically ceased, we must turn to the market presented by the old home if we were to continue to sell our wares, continue production, keep our organization intact, and help the plumbers, jobbers and heating dealers to keep their business going. We began, therefore, to plan an aggressive attack upon this market.

"Modernization of old homes through the installation of up-to-date heating equipment is by no means a new idea. For years it had formed an integral part of the heating industry's periodic sales effort. But to settle upon a modernization program as the only plan by which the necessities of the situation



THE consolidated report of United Founders Corporation and subsidiaries for the six months ended May 31, 1930, gives a complete list of the investment holdings. Copies of the report may be obtained from investment bankers.

UNITED FOUNDERS CORPORATION



The Securities of Ohio Corporations

which include those of many companies that are vital factors in the great industrial structure of the United States, have attracted investment capital from probably every state in the Union.

We have maintained for years, in our Cleveland office, an Ohio Securities Department, devoted exclusively to Ohio securities, listed and unlisted, which is now being used by investors in all parts of the country. It is supplemented by offices in Cincinnati, Columbus, Toledo, Canton, Massillon and Akron, Ohio, private wire connections and memberships in the Cleveland, Cincinnati and Columbus Stock Exchanges. Through this department we offer a highly specialized service in Ohio securities.

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could be met required some decision, and that, I think, is the main item of interest. Once the decision was made, and the policy set, it was carried through enthusiastically and in a large way as a matter of course."

DEALING from another viewpoint with the need of changing business programs to meet altered economic conditions, Lew Hahn, president of the Hahn Department Stores and former director of the National Retail Drygoods Association, urged department-store executives to lower their price scales to conform to the changing status of their customers' purses.

In an interview Mr. Hahn said:

"Some say that this policy of reducing prices is 'trading down', but I think that such an assertion is the result of loose business thinking. Many stores attempt to fix their place in a community by their price range instead of the class of people to which they cater. If a department store wishes to maintain its position in a community, it must go up and down with the type of people it serves.

"One of the retailer's problems is to discover where the consumer is. A period of stable conditions should teach us something. Any department store or other retailing factor should capitalize on the lessons learned during prosperous times. If in one season we sell 500 coats at \$300 each, we naturally anticipate an equal or greater volume of business the next season, provided conditions are the same.

"When prosperity is broken, however, and incomes are reduced, the consumer abruptly disappears from his previous purchasing level. Then it is up to us to discover at what price we can attract him or her again. When this is definitely determined, we will be able to do business, even if on a lower price plane. I am amused by manufacturers and wholesalers who tell the retailers that they should reduce prices. There is no question about it. We have to."

CHESTER M. WRIGHT of the American Federation of Labor points out that the fall in commodity prices, as reflected in declining retail quotations, foreshadows a new era of greater purchasing power which will create a new balance in business through supply and demand. Mr. Wright recently pointed out in *Printer's Ink*:

"Commodity prices have gone down 9.1 per cent since August 1929, and the dollar with which the American consumer goes to market is constantly gain-

ing in buying power. The customer walks up to the counter with a bigger dollar and the merchant looks over the counter to a new state of affairs. Mighty things have been happening and they have not by any means finished happening.

"Chief among the other developments which it is now possible to record as cheerful to the merchandising world is the fact that wages, with a few exceptions, which move the bulk of the nation's commodities, are not going down. There are as many dollars to be spent today as there were in January and they are more powerful dollars. It can be said with ample reason that we are entering a new era of buying power.

"To be sure, there will be some attacks on wage rates. Indeed there have been some. But there will be no such thing as a general wage reduction effort, which means no decrease in the number of dollars available for making purchases. For this statement there is the highest authority."

MUCH heat and emotion still agitate the debate between chain stores and the independent retailers. Malcolm D. Taylor, associate professor of Marketing, University of North Carolina, recently made a comparative study of nationally advertised brands in chain and independent stores in Durham, N. C. He reports the results of the study in the Harvard Business Review and purports to show that prices of 60 well known grocery items were 13.79 per cent cheaper in chain stores.

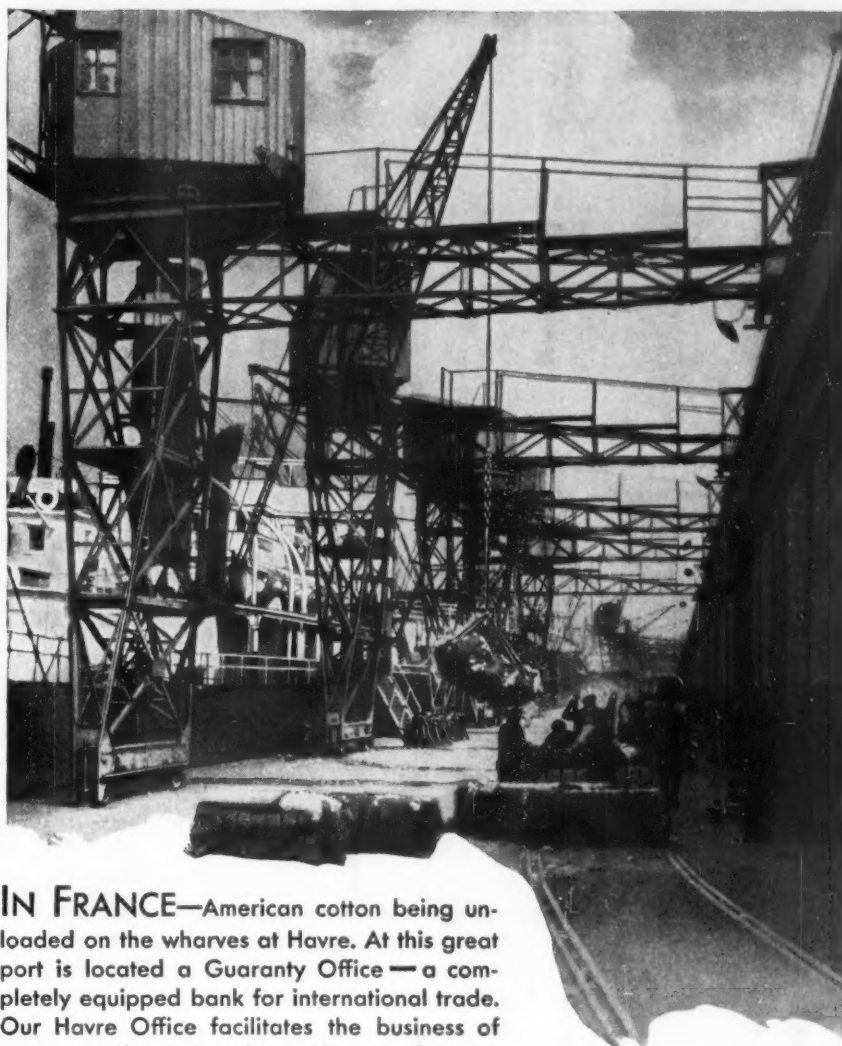
In commenting on the results, Professor Taylor said:

"Common expense percentages in grocery stores in 1929 may differ considerably from similar figures compiled for 1924. It is a safe assumption, however, that the additional charges incident to the offering of delivery service, charge accounts and the taking of telephone orders by independent stores do not amount to 13 per cent of sales or any figure approaching that. The only conclusion then that one can draw is that, at least in Durham, N. C., chain stores do offer an appreciable saving to consumers.

"Progressive independent grocers can compete and are competing with the chains in Durham. Many consumers will continue to demand the additional services the independents render. Some customers cannot afford to pay cash, while others wish to telephone their orders and have the merchandise delivered.

"It is questionable whether one can

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A SUBSTANTIAL part of the total export and domestic movement of cotton is financed by the Guaranty Trust Company. Our exceptional service to the cotton interests is typical of that rendered to every important branch of American industry. We shall be pleased to discuss with you the banking problems involved in your domestic and international business.

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A memorandum concerning the present opportunity offered to large users of commercial credit

■ Our Research Department recently prepared a memorandum pointing out important developments in the money situation—and indicating the opportunity which commercial paper rates offer to outstanding concerns.

Because of the interest which this paper aroused, we have reprinted its conclusions in a brief memorandum, which we will gladly send without obligation, to any one interested.

The following paragraph, an excerpt of the memorandum, suggests its contents:

"The corporations that are now coming back into the commercial paper market are taking advantage of the cheapest money available to them. We believe that others will follow. Paper offers them a means of carrying inventories and receivables which may have accumulated in the period of reduced business activity, of improving the rate of return on their invested capital and of retiring high rate preferred stocks. Within a comparatively short time they should be able to fund such short term obligations, thus assuring themselves of low cost funds for an extended period. The recent National Tea, California Packing and Crane Company note issues mark the trend. Right now the opportunity to obtain capital through interest bearing obligations is comparable to that which was available through equity financing a year or so ago. At the same time, a low fixed cost of capital obtained at this time must operate to make junior equities more attractive when the time arrives again for financing of this nature."

If you wish a copy of the memorandum, simply write us a note...

A. G. Becker & Co.

BONDS, STOCKS, COMMERCIAL PAPER

54 PINE STREET, NEW YORK

100 SOUTH LA SALLE STREET, CHICAGO

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justify the effort and money now being spent in this state in denouncing chain stores. Such practices in the long run are bound to react against the independents. Organizations of independent merchants could profitably emphasize methods of improving retailing in group buying and educate retail members in the most economical and efficient ways of conducting their businesses; the outlook for the future of the average unit grocery store would at least then be more hopeful."

A LEADING trade association executive who remained unnamed in a newspaper interview warned business executives against "yes men" who are fed up on "pep talk" and who contribute to unsound business decisions. In setting forth his views this observer said:

"Dozens of capable executives are without jobs today because they had the temerity to disagree with superiors who last January ignored the current business depression and insisted on launching programs of increased sales, greater profits and general expansion.

"Although the truth of their objections has since been demonstrated, the man who raised his voice is now without a job. His protests were met in many cases by amazement and a condescending attitude on the part of fellow-executives. Whispers that poor So-and-so was losing his grip flew thick and fast about the organization and eventually he was eased out to make room for one of the new school of never-say-die, up-and-coming 'yes men,' who are growing so numerous in business life at present."

SINCE the passing of the late Benjamin Strong, Governor of the Federal Reserve Bank of New York, leadership in the system has passed from New York to Washington. Nowadays Roy A. Young, Governor of the Federal Reserve Board, is the outstanding personality in the system. He has recently been waging a campaign among bankers for a greater sense of responsibility for business and financial stability.

Referring to the question of making excessive amounts of collateral loans during a bull market, Governor Young recently pointed out:

"We bankers have a responsibility beyond our own balance sheets for the general course of events; we must look beyond the safety of collateral offered us for a loan to the safety of the aggregate volume of collateral we know is being offered for loans at all banks; when we see an unhealthy develop-

ment getting under way, we must not only protect our own immediate situation, but must take a broader view and act with reference to the interest of the entire community. When a collapse occurs, we all suffer in loss of business even though we may not have to write off large losses because of bad loans.

"The banker profits from general prosperity and suffers from general depression, and can, therefore, reconcile a course of action taken with a view to preservation of general business stability with the utmost hard-boiled attitude toward life that some of us like to boast of in public."

AS the largest bank in the world from the standpoint of resources, the enlarged Chase National Bank of New York has in its employ five men who at one time held the title of president of the bank. Albert H. Wiggin is chief executive, with the title of chairman of the governing board. Next in rank is John McHugh who came to the bank in connection with the merger with the Mechanics & Metals National Bank, has the title of chairman of the executive committee.

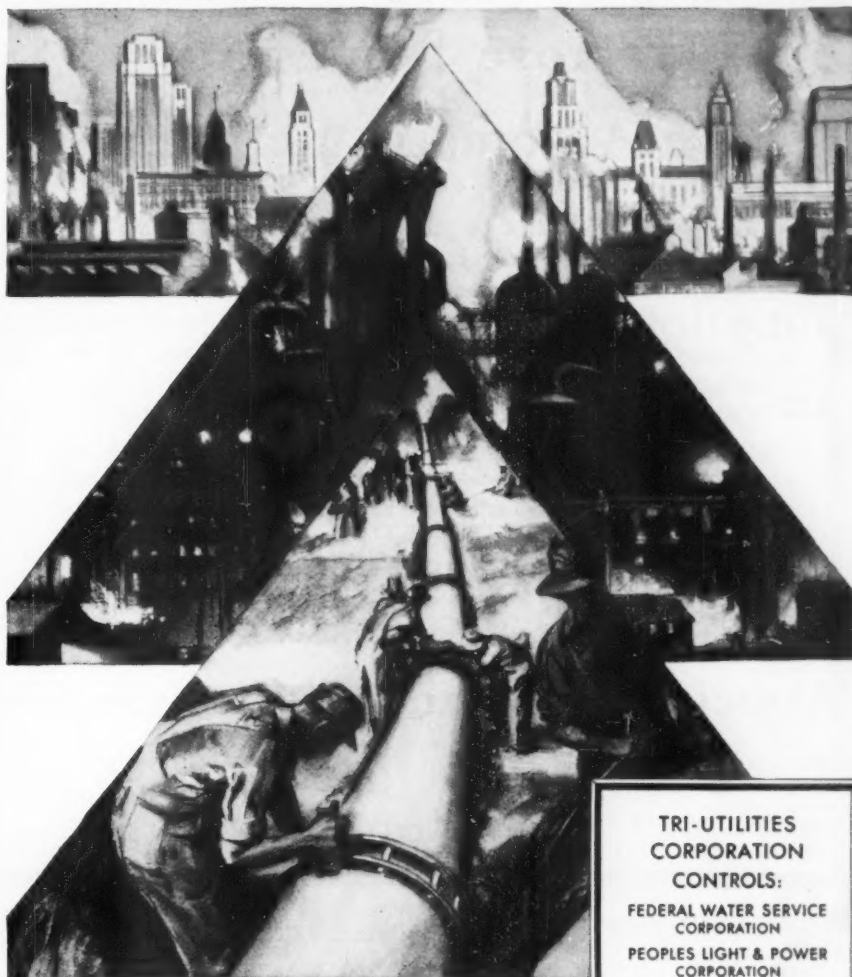
Charles S. McCain, formerly president of the bank who came to the Chase when the National Park Bank was absorbed, is chairman of the board of directors, and Robert L. Clarkson, who grew up in the Chase and was at one time president of the bank, continues as vice chairman of the board of directors.

The new president of the bank is Winthrop W. Aldrich who succeeded Chellis Austin as president of the Equitable Trust Company which was recently merged with the Chase.

OWEN D. YOUNG in his speech before the National Electric Light Association indicated that he thought that President Hoover's stabilization conferences after the panic had proved helpful and asserted that the electrical industry had been actively cooperating. Paul Shoup, president of the Southern Pacific Company, one of the prime movers in the Hoover conferences, recently asserted that he believes that the setback would have been worse if organized business had not continued capital expenditures in accordance with the pledges made to President Hoover.

"The continuance of activities through winter and spring," Mr. Shoup said, "following President Hoover's conferences, had at least the value of giving

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● The Corporation is the only supplier of natural gas to this rich territory, and is protected by favorable long term contracts in Birmingham, Atlanta, and other important fuel consuming centers.

● Investors in the securities of Tri-Utilities Corporation, which controls Southern Natural Gas Corporation, will participate in the assured future growth in earnings of this successful enterprise. Additional facts upon request.

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More than \$300,000,000 of public utility properties, operating in more than half the states of the Union comprise Tri-Utilities Corporation — one of the great utility systems of this country. • The consolidated income statement for the year ended March 31, 1930 shows an INCREASE OF 16.20% in gross corporate income over the preceding twelve months.

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13,741 more homes now have Automatic Refrigeration

ASSOCIATED SYSTEM electric and gas lines now carry convenient, automatic refrigeration to 13,741 additional homes. Employees sold this number of refrigerators, 230 carloads, to customers during a recent six weeks' campaign—more than twice as many as were sold by the Associated System all last year—more than were sold in the entire United States in 1922.

1930 purchases of appliances by customers were estimated at \$8,221,000. At the end of June, over \$5,000,000 worth had already been purchased with the Fall selling season still to come. This increased use of appliances assures a future of continued growth for the Associated System serving 1,375,000 customers.

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THE REASON for Government investigation of the holding company's part in railroad finance is told in the October Nation's Business.

elbow room to a great many people, both as individuals and in their larger affairs, to make necessary adjustments."

A SURVEY of the records of finance companies indicates that the Atlantic Coast and the Pacific Coast have been more stable during the period of business recession than the Middle West.

SINCE the withdrawal of John J. Raskob and Pierre duPont from active participation in the management of the General Motors Corporation, the company has been run by a triumvirate, consisting of Alfred P. Sloan, Jr., president; John L. Pratt, chief operating official, and Donaldson Brown, chairman of the finance committee. These three general officers of the corporation head up the principal committees and assume the main responsibility for formulating general corporation policies.

None of the three is given to publicity, but Mr. Sloan acts as spokesman for the company. The public hears little or nothing of Mr. Pratt, who is extraordinarily reticent.

Though an individual of large means, Mr. Pratt dresses with the utmost plainness and lives modestly in a suite of two rooms at the Commodore Hotel, New York. Mr. Brown, who acted as understudy to Mr. Raskob, had the same type of training in the accounting department of the duPont organization. Mr. Pratt was also a duPont man, having played a large part in building the additional war plants for the duPont powder organization. All three of these executives spend alternate weeks in New York and in Detroit.

PERHAPS there has been a tendency to overstress the importance of the commodity price movements on general business.

In 1921 business recovery preceded the comeback in commodity prices and a survey in the annals of American trade indicates that this is the usual sequence of events.

Two statisticians—Emerson Wirt Axe and Miss Ruth Houghton—summarize the results of the studies in this question in the *Annalist* as follows:

"Cyclical peaks in commodity prices are sharp, in business activity flat or rounding. Cyclical troughs in commodities are flat or rounding: they tend to be shorter and sharper. The durations of cyclical upswings and downswings in commodities are approximately the

same. But upswings in business are much longer than the downswings. Commodities normally begin to decline months ahead of business. Upswings in business have never, except once during this period, started while the main decline in commodity prices was still in progress. But business normally begins to advance 11 months ahead of commodities."

•

THAT newcomer among the daily columnists, Calvin Coolidge, recently pointed out that tariffs have not constituted major influences in controlling the volume of imports.

Apparently past history supports this viewpoint. William Pickett Helm, after examining the past records, pointed out in the Journal of the American Bankers' Association:

"Twenty-four times from 1789 when the first tariff law was passed, has Congress made major changes in tariff schedules. Duties have been raised to heights above the average of the new law; they have been lowered to the level of virtual free trade; individual schedules have been raised, lowered and raised again; sweeping general revisions have been done and undone and done again; but in no single instance has a new tariff law affected appreciably for more than a year or so even unappreciably, the steady upward trend of imports.

"Entirely apart from the merits of the new law—which from its very nature will remain a subject of opinion and controversy—imports seem destined to rise or fall with the pendulum of our national prosperity.

"The history of all our foreign trade points to one clear conclusion—that no customs duties, high, low or medium, have ever stood between the American buyer and what he wants to buy from abroad.

"In times of prosperity, the record shows, imports have leaped in swelling volume over tariff walls higher than that erected by the new law. In times of depression, the figures also show, even the low barriers of practically free trade have failed to stimulate imports."

•

IN seeking to whoop up buying power when it was at low ebb in Wall Street, a broker told the anecdote about a retiring Wall Street man who was lauded on the fact that he had made and kept several millions of dollars.

"Why," he said, modestly, "that was easy. You see, I had three panics to buy on."

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On the Business Bookshelf

A REAL contribution to the science of merchandising is made in a recent volume, "The Buyer's Manual,"¹ which is just what its title implies. This book, which James L. Fry has edited and arranged, as well as contributed to, has the virtue of extreme practicality. Twenty experts, all active in their respective fields, discuss their experiences and conclusions about buying for the modern merchandising establishment. Perhaps because the book is the product of busy men who write about what they themselves are doing, it carries a conviction and clarity which are praiseworthy.

No buyer will want to be without this handbook. It not only fills a need in itself, but immediately suggests other similar symposiums dealing with other phases of merchandising. The Merchandise Managers Division of the National Retail Dry Goods Association is to be congratulated for sponsoring this handy little guidebook. This group is responsible for its publication. —W. B. C.

THIS volume² will be exceedingly valuable to individuals concerned with the scientific aspects of industrial relations management, but its subject matter is too technical to appeal to the average industrial executive.

We noted particularly the article by Dr. H. M. Vernon, an authority in his field, in which he says that the objections to the five-day week appear to him to outweigh the advantages. Under most circumstances, he thinks, the volume of production attained in a five-and-a-half-day working week proves greater than that in a five-day week. It will be noted that this disagrees with the published statement of the National Industrial Conference Board, which says that in a large number of cases no decrease in production results from adoption of the five-day week.—R. L. G.

¹The Buyer's Manual, edited by James L. Fry. National Retail Dry Goods Association.

²Rational Organization and Industrial Relations, a symposium of views from management, labor and the social sciences. Published by the International Industrial Relations Association, Javastraat 66, The Hague, Holland.

PROFESSOR CHILDS in "Labor and Capital in National Politics" discusses comparatively the American Federation of Labor and the Chamber of Commerce of the United States in their efforts at molding public opinion.

We find this an interesting book.

DR. HURLOCK has written a readable book on the influence of fashion in dress on nations and peoples. She seeks particularly to study the causes and characteristics of the impulse behind fashion.

THE "Blue Book of Southern Progress" presents basic facts regarding the South. The discussion of southern growth is divided into 12 divisions, ranging from agriculture and manufacturing to life insurance and education.

FOR students or men and women in business and professional life Mr. Williamson's book "Speaking in Public" will be of interest. It is clear and practical throughout.

Causes of ineffective speaking with means for correcting them are considered first, then the several ways of winning an audience. Emphasis is placed on choice of subject, finding the necessary material and planning the speech.

The book, we feel, should be useful to business men who occasionally have to make public speeches.

THE Industrial Conference Board's report on world economic conditions contains the annual report of the president of the International Chamber of Commerce with a discussion by the Conference Board of the economic situation of the United States. Part II contains 14 original articles by foreign correspondents of the Conference Board.

THE Department of Remedial Loans of

"Labor and Capital in National Politics, by Harwood Lawrence Childs. The Ohio State University Press, Columbus, Ohio, 1930.

"The Psychology of Dress, by Elizabeth B. Hurlock. The Ronald Press Company, New York, \$3.50.

"Blue Book of Southern Progress, 1930. Manufacturers Record, Baltimore, Md.

"Speaking in Public, by Arleigh B. Williamson. Prentice-Hall, Inc., New York. \$2.50

"A Picture of World Economic Conditions at the Beginning of 1930. National Industrial Conference Board, Inc., New York, 1930. \$2.50.

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the Russell Sage Foundation has made a statistical study of 10,000 typical small loans—personal loans for amounts of \$300 or less—and the study is reported in "Ten Thousand Small Loans."

A CONCLUSION of the Conference Board is that wage methods that are incentives to faster and better production are becoming more and more necessary as industry turns more and more to mass production.

Ten Thousand Small Loans, by Louis N. Robinson and Maude E. Stearns. Russell Sage Foundation, New York, 1930. \$2.00.

Systems of Wage Payment. National Industrial Conference Board, Inc., New York, 1930. \$2.00.

Recent Books Received

Public Ownership on Trial, by Frederick L. Bird and Frances M. Ryan. The New Republic, Inc., New York, 1930.

Materials Handling Equipment, by Edward J. Tournier. McGraw-Hill Book Company, Inc., New York, \$4.

State Income Taxes Volume Two: Analysis of Income Taxes in State Fiscal Systems. National Industrial Conference Board, Inc., New York, 1930. \$2.50.

The Five-Day Week in Manufacturing Industries. National Industrial Conference Board, Inc., New York, \$1.50

Thirteen-Month Calendar, compiled by Julia E. Johnson. The H. W. Wilson Company, New York. 90 cents.

Efficiency and Scarcity Profits, by Clarence J. Foreman. The University of Chicago Press, Chicago. \$4.

Asia: An Economic and Regional Geography, by L. Dudley Stamp. E. P. Dutton and Company Inc., New York.

Handbook of Financial Mathematics, by Justin H. Moore. Prentice Hall, Inc., New York.

Real Wages in the United States, 1890-1926, by Paul H. Douglas. Houghton Mifflin Company, New York, 1930. \$7.50.

Wage-Payment Plans That Reduced Production Costs, by Hugh Deimer. McGraw-Hill Book Company, Inc., New York, 1930. \$2.50.

Philippine Plant Life, by John W. Ritchie and Julia P. Echavarria. Silver, Burdett and Company, New York. 96 cents.

The Ethical Problems of Modern Finance. The Ronald Press Company, New York. \$2.

The Modern Hardware Store, by Carl W. Dipman. Butterick Publishing Company, New York.

The Mathematics of Investment, by William L. Hart. D. C. Heath and Company, New York.

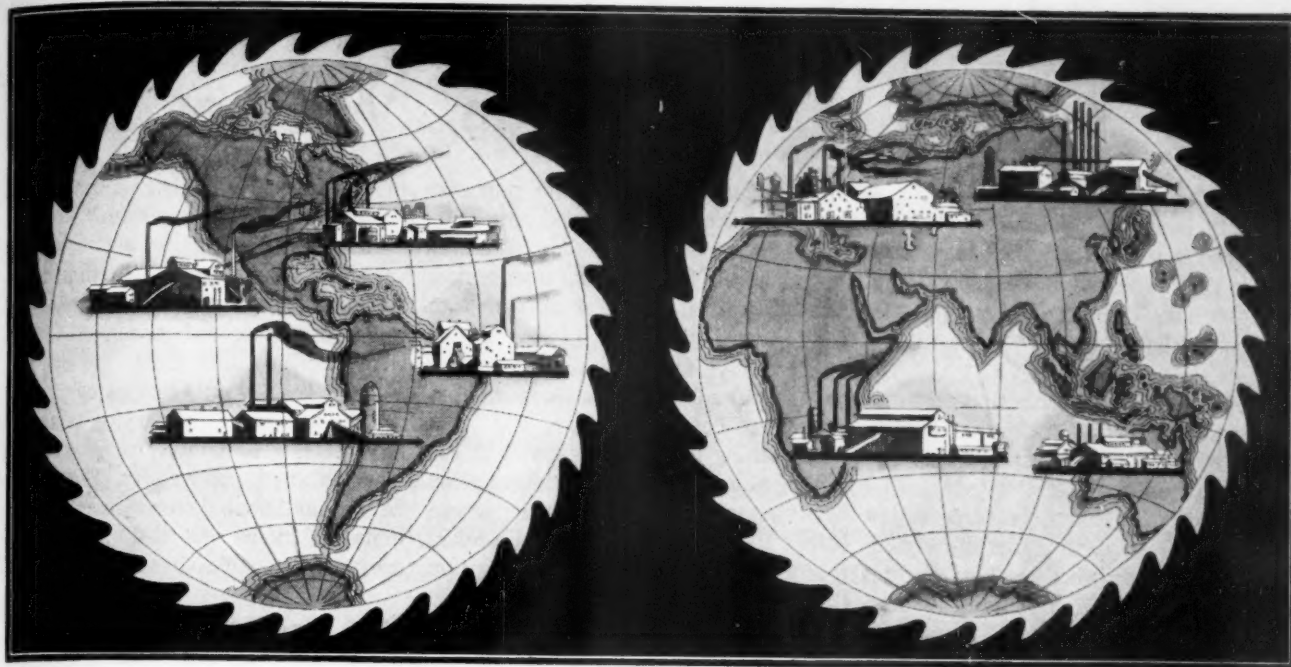
The Technique of Executive Control, by Erwin Haskell Schell. Third Edition. McGraw-Hill Book Company, Inc., New York. \$2.

America and England, by Nicholas Roosevelt. Jonathan Cape & Harrison Smith, New York.

Letters That Sell and Why, by Cameron McPherson. The Dartnell Corporation, Chicago. \$3.75.

Common Stocks and the Average Man, by J. George Frederick. The Business Bourse, New York. \$4.

The Meaning of Money, by Hartley Withers. E. P. Dutton and Company Inc., New York. Revised edition.



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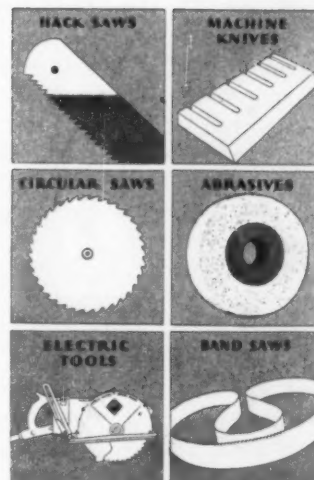
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BACK OF THE EDGE . . THE STEEL . . . BACK OF BOTH . . SIMONDS

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Thomas Alva Edison, Worker

(Continued from page 52)

came, he bought a handsome house and equipped it handsomely. But his life is not in the house, but in the laboratory, and he likes the old clothes and the easy ways that work and the laboratory suggest.

John Burroughs records that on their camping trips Edison took more kindly to the out-of-door habits and the rough life than any one else:

"A good camper-out, he turns vagabond easily, can go with hair disheveled and clothes unbrushed as long as the best of us, and rough it week in and week out and wear that benevolent smile."

Too busy for things social

BUT always in the human relations there is that smile, and it is suggestive of Edison's singular and undeniable personal charm. He does not seek social life for itself, he is too busy and too preoccupied. He shuns and hates the restraints and trammels, the tedious ordinary chatter, of mixed meetings of men and women. When he is thoroughly absorbed by some perplexing problem, visitors sometimes find him difficult to approach and still more difficult to encounter when he has been approached.

If you see him in these critical moments, you are most impressed by the concentrated look, and the intense suggestion of intellectual effort in the massive forehead and penetrating eyes. But when the strain is for the moment forgotten and thrown off, as it can be and sometimes is completely, there come into the face a singular tenderness and human kindness and mellowness, as every one recognizes.

When he is free in spirit, he loves to talk, and talks easily and well. He is said to be an admirable story-teller, loves jests and pranks of all sorts, even boyish ones and admirable fooling, and in the more serious exchange of thought you can always get what you want from him, if you yourself are worth while:

"In conversation Edison is direct, courteous, ready to discuss a topic with anybody worth talking to and in spite of his deafness, an excellent listener. No one ever goes away from him in doubt as to what he thinks or means."

But naturally Edison's human rela-

tions in business, in his life pursuits, have been much more important than those cultivated merely for pleasure, since business has been the essence and the substance of his life. I consider first the human beings who influenced him intellectually, and I am surprised to note how small and insignificant the list appears to be.

Something no doubt he owed to his father, and much more to his mother. The station master, Mackenzie, whose child's life he saved, taught him telegraphy, but really it hardly appears that any one else taught him anything. He seems from start to finish to have been extraordinarily self-dependent, quick to catch valuable hints of any kind, from anybody, but never at any time under great intellectual obligation to any intellectual guide or leader whatever.

The same thing appears to be true as to practical assistance. The man made his own way, from the time when he began to sell papers at ten years old, and really required assistance from no one. Occasionally a fellow worker, like Milton Adams, lent him a hand. He turned to the big financiers, the Villards, and Fisks, and Goulds, for financial backing in his enterprises. But he did not always get it, and when he did get it, it did not work to his advantage. Altogether, there would seem to be few human beings who were less indebted to others for making their way in the world or for what they have accomplished.

Admitted obligation to others

EDISON'S relations with associates and fellow workers, with those engaged in similar lines of effort, have the same manly and independent largeness. If he was under obligations to others, he acknowledged it. If he felt that they had anticipated him or were doing his work, he admitted it freely.

The kind impersonal interest which he took in the labor of others well appears in the confession of a poor and struggling inventor:

"The deep interest, financial and moral, and friendly backing I received from Mr. Edison, together with valuable suggestions, enabled me to bring out the engine; as I was quite alone in the world—poor—I had made a friend who knew what he wanted and ex-

plained it clearly. Mr. Edison was a leader far ahead of his time."

In a career so long, so active, and so varied, it was unavoidable that there should be conflicts, competition, and even jealousies and rivalries. Others were working on lines parallel to Edison. With the thousands of patents that he was constantly trying to establish there were bound to be dispute, question, and controversy. Sometimes he was anticipated, sometimes he was imitated. Some belittled his results, some simply stole them.

A kindly spirit through all

THROUGH all this complicated record it may fairly be said that Edison's spirit was tolerant and kindly. No doubt there were times of reasonable impatience, when the processes of law were cruelly slow and sometimes seemed stupidly unjust. But in general he shows a Christian charity and human understanding not incomparable to Darwin's, such a spirit as appears in his comment on one of the most unscrupulous and dishonest of his adversaries:

"It is of no practical use to mention the man's name. I believe he is dead, but he may have left a family."

The most interesting of Edison's human relations are, of course, with those who worked for him, the innumerable more or less humble assistants who toiled for years in his various laboratories and without whom he could not have achieved his astonishing results.

With all these workers the most notable thing seems to be what one might call the Edison spirit. One and all they seem to catch the tone of the place, to feel that they are vital elements of a great creative organization and to have an almost inspired zeal for doing their part in the general accomplishment.

This is no doubt largely a matter of original selection. Edison picks his men with thoughtful and discriminating care, culminating in the elaborate schedule of examination questions which was so widely heralded all over the country. He may set you first to the humblest manual tasks, to test your humility and aptitude. He may propose a complicated mechanical test, which at once calls out all your natural gift and equipment. But the prime requisite is, are you willing to give all

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When Edison has found such service, there is no doubt but that he tasks it mightily, some say he overtasks it. There is a story that once when a problem was furiously difficult, Edison locked the doors and told his whole force they had to stay there till the work was done, and they did.

It has been said of him that he "never hesitated to use men up as freely as a Napoleon or a Grant."

There must be no thought of hours, or rest, or relaxation, till the desired result was achieved. The master is not unjust, or from his point of view unreasonable. Natural stupidity he is patient with, though he gets rid of it as soon as possible. But mistakes of carelessness and shiftless oversight sometimes irritate him beyond bounds and "call forth a storm of contemptuous expression that is calculated to make the offender feel cheap."

Yet everywhere and at all times, in these dealings with his men as in all else, you feel profoundly Edison's fundamental humanness, which is as rich as Darwin's. He may make enormous demands, but never upon others more than upon himself. He is thoroughly kindly, sympathetic, democratic, understanding, treats the men as fellows, as companions, in short as human beings, and what more can be said?

In a democratic organization

ONE of his biographers speaks of seeing him sitting on the corner of a table chatting and laughing with the office boy, in perfect familiarity, and it is this democratic spirit that in part accounts for the declaration of another biographer, that "I doubt if there is a man living for whom his men would do so much."

But a life of invention means dealing not only with human agents of all sorts but with money, which is often more difficult, disconcerting, and incalculable. You may discover principles without cash, but you can't make machines. From the days of his first childish attempt to sell newspapers Edison has met the money problem and handled it with skill, assiduity, and success. He never had any particular training in the keeping of books and some early experience with professionals in that line shook his confidence, so that his methods were peculiar and often rather personal. But an unshakable probity

and a clear head pulled him through.

It need hardly be said that the desire of accumulating money for itself has played no part in his career. Also, his own Spartan personal habits, his utter indifference to luxury of any sort, made him careless of money from the point of view of personal spending.

His laboratory required money

BUT he did need cash for his laboratories and experiments. When you want to put on your shelves specimens of every chemical, when you want to send men all over the world to get you all sorts of materials, you have to pay. As success in his inventions brought the money rolling in, the inventor saw daily greater and greater need of it, and he did not hesitate one moment to pay out all he had for the sake of accomplishing some magnificent longed-for result. In the same way heaps of costly materials must be thrown away when they represented the results of experiment that was imperfect or unsuccessful.

It is this preoccupation with something else than the mere money side that Henry Ford indicated when he said:

"Edison is the world's greatest scientist and perhaps worst business man. He knows nothing of business."

Like many of Ford's pronouncements, this is somewhat exaggerated, if not mistaken. Edison surely has the making of a magnificent man of business. But business to him is secondary to something far more important.

Yet if the object of Edison's invention is not money, it is unquestionably and constantly the practical improvement of life and of the means of living. First, foremost, and always he aims at the practical—what will immediately conduce to ameliorating and facilitating human existence. He argues emphatically, "What the country needs now is the practical skilled engineer, capable of doing everything."

As we look about on all sides, it is impossible to deny the enormous effect of this practical work of Edison's in accomplishing just what he wished and intended. The advance in daily convenience, the speed, the variety, the facility of ordinary living, that the world owes to Edison, can hardly be measured or overestimated. When it comes to a somewhat deeper and broader point of view, there may be more question. Mankind is indisputably much better off materially, much better equipped for facing the mechanical struggles of life, and it may well be

urged that solid spiritual benefit results from this condition.

On the other hand, it is repeatedly argued that the increase in comfort does not necessarily mean increase in happiness or increase in virtue. Those who declaim against the machine age, the universal standardization of everything, assert that machine-made virtue and machine-made happiness are neither possible nor desirable, and that all this insistence on the practical, on the benefit of ingenious mechanical devices, merely obscures and beclouds the profounder problems of the spirit.

Such speculations do not greatly interest Edison. He sees the laboring masses of mankind in dire need. He wants to help them, he tries to help them, he does help them, and he is satisfied with accomplishing so much, and at the same time seeks to accomplish vastly more.

"The poor man with a family is the man who has my sympathy and is the man for whom I am working," he says, and it is impossible to deny that the saying is true, so far as it goes.

When it comes to the larger bearing of such effort on economics and politics, Edison leaves the solution of the problems to others. He is too much preoccupied with his own concerns, which would assuredly preoccupy any one. It is only now and then, and far less than his explosive friend, Henry Ford, that he makes an excursion into political fields, as when he joined Ford in advocating "commodity money."

Machinery, the emancipator

NEVERTHELESS, on the broad question of the machine age he is clear and positive, and will not for a moment admit derogation or degradation. The development of machinery, the use of machinery, in every practical and possible way, seems to him an immense gain, and the world has nothing to do but go on and profit by these things just so far as they can be pushed and managed:

"I call machinery the greatest of emancipators. I will go farther and say that human slavery will not have been fully abolished until every task now accomplished by human hands is turned out by some machine, if it can be done as well or better by a machine."

It is easy to recognize and admit that this world, in which we are living, has been changed, revolutionized, by mechanical invention. But does such invention much affect the other world, which still remains important to some

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of us? For, after all, the sojourn in this world, whether it is rendered comfortable or not, does not endure long.

It cannot be said that Edison does not recognize the other world. There have been many interviews printed in which he discusses spiritual problems, though it may be that his inventive powers have not here been exercised very profitably. The most ingenious display of them appears to be in the hypothesis of the *monoids* or *entities*, the vital units which he supposes to enter into the total composition of our bodies and also of our spiritual personality.

The question of our future survival he makes turn upon the continued aggregation or the disaggregation of such entities.

In all these speculative comments, which indeed do not profess to be much more than rambling conjecture, one feels the working of an intensely active mind not widely trained in the history of human thought.

Through all the speculation Edison frankly recognizes the possibility, or rather the necessity, of God, of a Dominating Intelligence, as the only possible means of accounting for the working of law in the universe.

So far as God and the idea of God may be connected with personal working moral habit, it may well be said that Edison, like Darwin, embodies and illustrates such habit in its highest and most winning perfection. But again, as with Darwin, I see no evidence whatever of the personal need of God, of

that intense, unquenchable, reaching out and yearning that, rightly or wrongly, forms the basis of all mysticism.

The truth is, the essence and the explanation of such a temperament as Edison's is just living, a constitutional, dynamic, enduring, perhaps in large part physical, optimism, which makes life and the world a continued daily splendor.

How far such an optimism can be deliberately maintained and developed may be a question, but it would certainly be a magnificent thing for some of us to develop. In Edison it is manifestly inborn.

He lives for the future

HE GETS up every morning with a superb sense of life anticipated, and sleeps, when he does sleep, with an equally superb sense of life accomplished. It was a glorious saying of Whistler:

"The career of an artist always begins tomorrow."

The saying would have perfectly fitted Edison, and indeed he has his own words for the same thing:

"Spilt milk doesn't interest me. I have spilt lots of it, and while I have always felt it for a few days, it is quickly forgotten, and I turn again to the future."

Or, even more largely and nobly, and in a phrase approximating Whistler's:

"I don't live with the past. I am living for today and tomorrow."

Perhaps there is no better way of living for this world and also for another.

"Career Men" Aiding Foreign Trade

THE "career men" of Uncle Sam, scattered throughout the world as consuls, vice-consuls and consular agents, are proving very efficient commercial agents according to figures compiled by the State Department.

As a rule, the activities of these young diplomats, for the most part college trained, consist, commercially speaking, of sending back to this country trade letters, trade reports, trade opportunities, commercial reports and trade lists.

During 1929, 52,500 trade letters were dispatched home from abroad as compared with 36,620 in 1927, the first year of tabulated figures. World Trade Di-

rectory Reports show a jump for the same period from 3,843 to 4,113; commercial reports from 23,992 to 24,444. Trade lists—names of different concerns in a given consular area handling the same commodity—show a decrease, the only one of the foreign trade information series to do so. All of this is an indication that American business is getting pretty well placed abroad.

The trade reports as a whole point to the conclusion that college-trained foreign service men are proving more effective as trade expansionists for the country than did the political appointees of days gone by.—J. L. C.

Railroad Consolidation By Leasing

WHAT the idea of railroad "consolidation" may signify to the public is one thing, and what this observation conveys to the president of the National Association of Owners of Railroad and Public Utility Securities is quite another. So far as Mr. Harrison is concerned, "no actual consolidations have taken place."

It is his view that the Congress provided a form of control by lease or stock ownership that fell short of consolidation, but still obtained many of its benefits.

Through this plan, more than 51,000 miles of line, or more than 20 per cent of the country's trackage, he explains, has been acquired by stock ownership or lease.

Another 25,000 miles have been acquired, he adds, under provisions of the Transportation Act that permit one carrier to acquire another instead of constructing a new line.

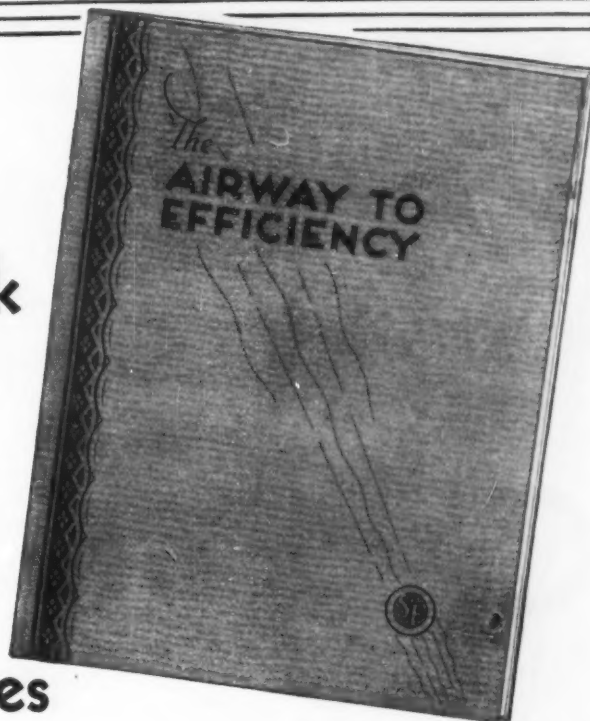
Few railroads are independent

AS FOR railroad independence "it is largely a myth." To Mr. Harrison's way of thinking:

"Only a small proportion of the country's railroad mileage is being operated entirely independent of control. A large part of the independent mileage is made up of short lines. In some instances, large trunk lines now own or control practically all of the major roads allocated to them in the Interstate Commerce Commission's plan. A consolidation proceeding in such instances merely would wipe out the framework of subsidiary corporations and permit the formation of one new corporation in their place. Operations would continue as at present, except that much duplication of effort would be eliminated."

Whether this matter of acquisition be viewed as "consolidation" or as "absorption," progressive alliances and affiliations in the transportation scheme have become an established practice. To this trend Mr. Harrison has invited more than casual notice by his assertion that since 1920 the Interstate Commerce Commission has approved the absorption of 77,000 miles of line by other railroads, and that only 54 of the 168 railroads in the million-dollar-revenue class are "wholly independent."

A new book for open- minded Executives



—particularly for those who seek better service and lower costs

The new "SF" Sani-Dri was placed on the market a trifle more than a year ago . . . It immediately established a higher, finer standard of wash-room drying service, for it was a perfected product with many mechanical betterments that made drying easier, speedier and more pleasant.

The complete story of the drying service rendered by this modern "SF" Model—its beneficial effect on the skin—its speedy, more thorough "dry" and its many desirable features that every user appreciates—is told in this new booklet, "The Airway to Efficiency" . . . a booklet which tells how you may save 60% to 90% of your present towel costs—yet provide a faster, more efficient drying service.

The executive who scrutinizes costs and who believes that worth-while economies should be effected without sacrificing service or efficiency, is invited to write for a copy of this new book.

ELECTRICAL DIVISION
**CHICAGO HARDWARE
FOUNDRY CO.**
North Chicago, Illinois



Electrical Division, N.B. 9-30
CHICAGO HARDWARE FOUNDRY CO.,
North Chicago, Illinois—Please send me a copy of your new book, "The Airway to Efficiency."

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THE PATTERN OF COMMERCE



AS SEEN BY
Raymond Willoughby



ON July 4, the famous little city of St. Johnsbury, Vt., began its three-day celebration of the one-hundredth anniversary of the invention of the platform scale by Thaddeus Fairbanks.

Prior to Fairbank's time a crude adaptation of the steelyard of the Romans had been generally used for weighing. Fairbanks improved this apparatus by building a platform level with the ground, and connected to the steelyard by a system of underground levers. A small weight on the beam balanced a load of one or two tons. After months of work he completed his first weighing machine and set out for Washington on horseback in order to file his patent.

He had already taken out patents for a cast-iron plow, a refrigerator and a cook stove before he determined to improve the crude method of weighing

hemp—a commodity commonly raised in pioneer agriculture and sold by weight. His platform scale, although somewhat cumbersome, was in immediate demand. The important advance was in the fact that the load could be placed on a platform, and that the lever linkage could have any desired multiplying effect. Manufacture of the platform scale was begun at St. Johnsbury in 1830 by the inventor and his two brothers, Erastus Fairbanks and Joseph P. Fairbanks, with a capital investment of \$4,000.

Scales for many other uses were developed and put on the market. The old-fashioned methods of measure and count gave way to sale by weight. Indeed, there is reason for believing that "the use of the track scale effected a complete revolution in railway transportation."

Nor is it straining for a point to suggest that a small scale business grew

into large scale operations because its founder believed in honest weight.

The world put its confirmation on that judgment by loading him with honors during his lifetime. Weighing and weight are taken for granted in our times largely because Thaddeus Fairbanks felt otherwise about them.

♦ Resurrecting the Gallery Gods

WHETHER the ascending gate receipts of the big plush-and-gold talkie houses are due to the decorations or to the dialog is still a moot question. But it is apparent that the prosperity of the movies is not shared by the troupers who look to the road show for a living. Perhaps price is the key to the decline of the so-called "legitimate" theater. Bring back the gallery gods and the future is assured, argues the *Billboard*.

As seen through its professional eyes, "when the road theater was at its peak, the gallery, although the cheapest part of the house, was carefully reckoned with. But when motion pictures came in and the gallery gods began to desert it, the very foolish policy of boosting prices for the second balcony was put in effect. Prices continued to go up until the increase totaled 400 per cent, or from 25 cents to \$1, in nearly every legitimate house in the country. Increased prices for other parts of the house also resulted, but not in proportion to those levied on the gallery. Indeed, if the increase had been proportionate, orchestra seats would be as high as \$10 and more."

A more picturesque explanation for the rise of the movies is offered by "Sliding" Billy Watson, old-time burlesque comedian. Novelty is the chief attraction, he thinks, but let him tell about it:

"Why, a guy goes into one of 'em for 50 cents, and it's like he was asked around to visit his rich relations. It's better than his own home. After he's



If London, Paris or Timbuktu is on the wire, rest assured your call is coming through this special switchboard of the A. T. & T., New York

Bush helps Beech-Nut serve fresh Coffee

WHEN Beech-Nut added coffee to their well-known line of food products they faced new manufacturing and distribution problems. How could Beech-Nut Coffee be delivered economically to the nation's breakfast tables? Where were the essential pier-side facilities for receiving raw coffees from South America and the Far East?

The solution was found within their own experience. Beech-Nut candy and chewing gum had been manufactured at Bush Terminal for many years. So Beech-Nut decided to roast and pack their coffee also at Bush Terminal, right on New York harbor and at the very gates of the largest single market in the world, with incoming and outgoing freight literally at the door.

This comment from Beech-Nut is interesting: "After eighteen years' occupancy of Bush buildings and use of Bush facilities we are convinced that location, service and costs could not be bettered."

Manufacturer
saved more than

55%

A manufacturer actually cut his production costs in two when he moved to Bush Terminal. Total annual costs before, \$50,380. Total annual costs after, \$22,380. 55½% saved! Insurance premiums cut from \$4,200 to \$180. Power costs were \$5,300, now \$3,600. Two foremen's pay \$4,600 instead of \$13,800 for six foremen. Labor receiving raw material reduced from \$6,000 to \$2,000. Cost of trucking from railroad (\$9,000) eliminated. Great gains in quick deliveries and smooth production.



At Bush Terminal a broad, flexible, varied service provides production economies and distribution efficiency. Seven enormous ocean steamship piers; miles of railway sidings; massive warehouses; 6,000,000 square feet of floor space, cold storage; power, steam and heat in any quantities. Highest standards in receiving, storing and delivering goods and unrivalled facilities on an "industrial apartment house" basis.

How can Bush help your Business?

We can't tell you in this advertisement except to say that Bush has solved and is solving so many diverse problems of production and distribution that it's hard to imagine any manufacturer or distributor serving the metropolitan area who could **not** be helped by Bush. Ask us for fuller details of the main service rendered by Bush. Descriptive literature on production and distribution will be mailed you on request. Specific questions will be answered in full by Bush expert service men, thoroughly equipped by long experience to help you discover just how Bush can help your business.

BUSH TERMINAL COMPANY

Metropolitan Facilities for DISTRIBUTION, WAREHOUSING and MANUFACTURING

Executive Offices: 100 Broad St., Dept. N, New York

Piers, Sidings, Warehouses, Truck Depot, and Manufacturing Lofts on New York Bay

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seen the show, he goes down to the lounge and sits around awhile and maybe lolls back in one of those big sofas and picks his teeth. Then he takes a wash, maybe, and then he goes back upstairs and gets another load."

By Mr. Watson's itemized catalog of roaming curiosity, the movie customer is revealed as ambulatory as the much-travelled Tommy Atkins—

Think where 'e's been!
Think what 'e's seen!
Think of 'is future—an'
Gawd save the Queen!

♦ Saving Business Beginnings

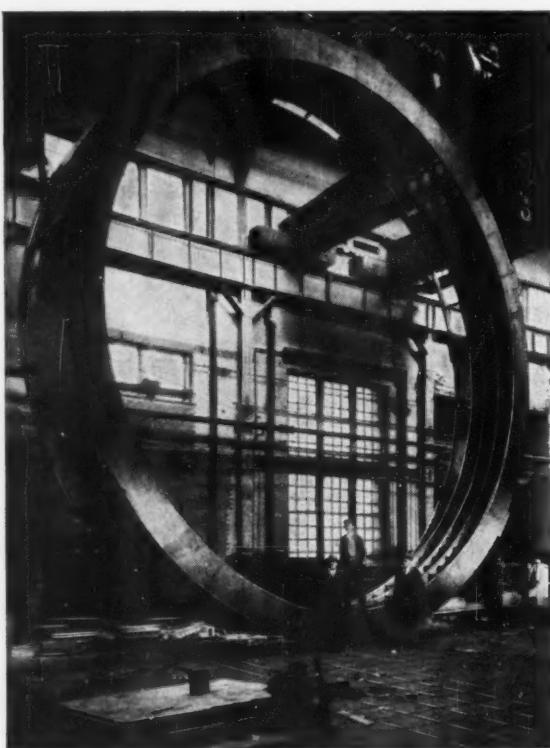
CRANE & Company, paper makers since 1799, are establishing a museum at Dalton, Mass., in order to trace the history of paper making through the preservation of documents, engravings, maps, and specimens of paper and currency. Carl C. Curtiss, of the American Historical Bureau, New York, has been selected to organize the exhibits. The displays will be housed in a stone building erected in 1846, and now surrounded by modern paper mills. This building has been restored and adapted to its new use by Charles S. Keefe, New York architect.

Whatever the range of the public's expectations, it is safe to assume that it will want to see specimens of the first bank-note paper which this company distinguished with silk filaments—a characteristic suggested by the late Senator W. Murray Crane, a member of the third generation of the house.

The significance of this museum is, of course, much broader than its exposition of the art of paper making, inviting as that service may be, for in a larger sense it attests the existence of a lively and effective interest in the beginnings of American business.

This interest comes to view in the museum at New Bedford, Mass., devoted to the whaling industry; in that of the American Type Founders Company at New York, with its excellent library on the history of printing; the informative exposition of the art of making wires and cables maintained by George W. Prentiss & Company at Holyoke, Mass.; the Museum of Science and Industry founded at Chicago by Julius Rosenwald; the Essex Institute at Salem, Mass.; the Commercial Museum at Philadelphia, and the historical museum at the Harvard Graduate School of Business in Cambridge, Mass.

No doubt there are many more col-



This 50-ton ring is part of a new giant generator, to be installed at Spier Falls, N. Y.

lections that usefully illuminate the evolution of our commercial and industrial practices. The list is long enough to indicate that American business is old enough to have traditions, and that it is willing to spend considerable time and money to find out how and when and where they began.

♦ Measuring in Millionths

TO BE known as "the father of accuracy" is an honor not to be taken lightly, as the character of the contract between Henry Ford and Carl Johansson, Swedish gauge maker extraordinary, convincingly attests. When Mr. Johansson was foreman of the government arsenal in Sweden he worked out an idea for checking measurements by means of metal blocks. That was in 1897. Today he is characterized as "the only man living who has reduced anything definitely to millionths of an inch."

One set of his blocks now used in the Ford plant at Detroit is accurate to less than .000001 inch. As explained by Faye White of the Ford staff, "with this set 120,000 combinations—almost any that might be required—can be made. The holders handle blocks in combinations up to 80 inches in length, and 81 blocks are available to make the 120,000 different combinations. In a bar of 80 inches there are more than 100 joints. These gauges are affected by temperature, their absolute accuracy being at-

tained at 68 degrees Fahrenheit."

The surfaces of the blocks are so finely finished that they give the appearance of quicksilver. It costs a good deal to bring the gauges to a state of perfection, and that's why they are high-priced.

When Mr. Johansson came to the Ford plant he agreed to teach the method of surfacing to one man, and that work is now done according to a written formula unknown to Mr. Ford himself. Twice a day the gauges are turned in for inspection. Refinishing can be done without affecting their accuracy.

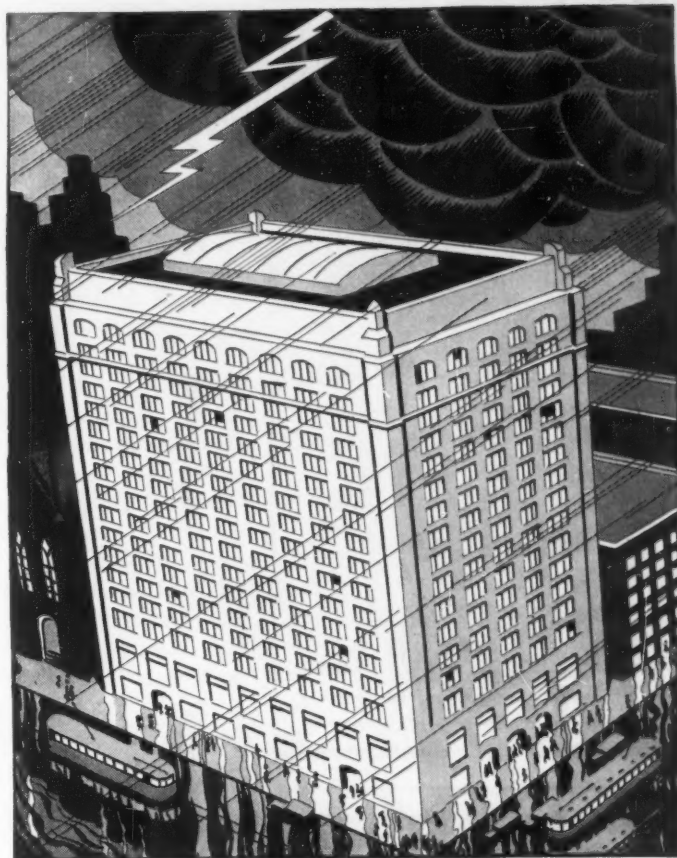
With all the loose talk about higher and higher standards of living, there is something of a paradox in taking measurements of which even Mr. Johansson's precise gauge can make little or nothing.

♦ A New Use for Loudspeakers

THE idea of using a "public address" system to control the operations of a steel mill has an aspect of novelty even in these piping times of innovation and change. At Sharon, Pa., the strip mills of the Sharon Steel Hoop Company have been equipped with microphones and loudspeakers in order that the men on the floor may keep the "pulpit" operator in constant and immediate contact with the work he controls.

Through the glass sides of his "pulpit"—a cage-like structure several feet above the floor level—the operator can observe the rolling operations, and now that sound has supplemented sight, he is able at all times to regulate the speed of the electrically-driven machinery throughout the entire length of the plant.

As the machinery at the Sharon Mills rolls steel strip at a maximum speed of 2,400 feet a minute, or about 26 to 27 miles an hour, the importance of control is readily apparent. The steel enters the mills in units thirty feet long. Fed into the whirling rolls, this thirty-foot length becomes 1,500 to 1,800 feet of strip steel. This tremendous elongation with its consequent thinning takes only a few seconds. The finished strips flash from the rolls white hot and at high speed. Then they are cooled by being whirled through a maze of serpentine convolutions which provide the maxi-



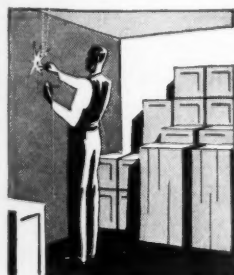
WATER WASTE— *What it Means*



Each year millions of dollars are lost through merchandise being ruined in damp and wet basements and warehouses. This is water waste.

- Enormous losses are sustained in moving merchandise from storage places endangered by heavy rains and floods. Water waste also represents

the loss in valuable basement store sales space, due to the fact that men and women cannot work under damp conditions.



- You can help prevent costly water waste. Insist that Medusa Gray Portland Cement—waterproofed—the cement with the waterproofing “ground in” at the mill—be used in all concrete and mortar work entering into any building in which you are interested. This integral waterproofing produces an

interior dry enough to light a match on basement and warehouse walls. It has a 20 year record of proved success in stopping water waste. Let us send you our book entitled “How to Make Good Waterproofed Concrete.”




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mum of movement in a small floor space.

A long-range view of industry that can be brought to such an immediate focus of usefulness, as this "pulpit" control, creates its own electrical emphasis on the productive partnership of science and management.

♦ High-Pressure Transportation

CURSE or blessing to the railroads, the commuter figures largely in their accommodations, if not always in their calculations. Of the 780,000,000 revenue passengers transported last year, 448,000,000 were commuters, by report of the Interstate Commerce Commission. These figures indicate in the round the problem of providing mass transportation at peak periods—a problem shared in degree by every large city, but most acute in New York. In the Borough of Manhattan alone, the Suburban Transit Engineering Board finds, the number of suburban passengers has increased by 23,000 a day above the yearly daily averages two years ago.

What this gain means in raising the pressure on schedules, operating staffs, and terminal facilities is suggested in the totals for the territory tributary to New York—318,000 commuters daily from New Jersey; 95,400 from Westchester County, and 167,000 from Long Island. The highest tide recorded in an hour at Grand Central was 29,000; at the Pennsylvania Station, 28,300; at Hudson Terminal, 28,100; and at Jersey City, City Terminal, 26,700.

The peak hour at Grand Central begins at 8:10, and by 9:09 a.m. 51 per cent of the entire day's inbound traffic arrives. At the Pennsylvania, the peak runs from 7:50 to 8:49 a.m., in which time 40 per cent of the day's total is brought in.

Where periodic densities of population are the rule, as in New York, railroading becomes a matter of space rather than distance—a sort of Einsteinian idea of train time and human dimension. "Room for one more" on occasion must seem more a satisfaction of the spirit than of the flesh.

♦ Another Problem for Santa

NOTHING could be more American than our urban skylines, and in that realization regret may temper interest in the report that chimneys are passing if not completely *passé*. Unsightly they may be, as some esthetes contend, yet they do give a sense of human habitation to the fenestrated cliffs of masonry

in which life and work are domiciled in great cities.

New-style chimneys, we hear, are so much in disguise and so chary of smoking that not even their own architects can point them out to wondering strangers. There is something Macbethian in the thought of phantom chimneys, chimneys of the mind, chimneys as unseen as the underground boilers they so invisibly serve.

The smokestack of the New York Life Building at Madison Square, New York, for example, is concealed with the gilded spire that tops this 34-story structure. Good fuel and proper stoking keep down the smoke. Little goes out the chimney, although 35 to 50 tons of coal are burned every day in winter. It doesn't make much sense to say that this 617-foot chimney ends in a lantern, but that's the way it stands, believe it or not.

Life is a bit less real for knowing that a lantern is not what it seems. Carried into the domestic field, the idea signifies troublesome complications at the Christmas season. Looked on as civic progress it has its points. Possibly the commercial importunities to "watch our smoke" will become as rare as the dumb solicitation of the cigar-store Indian.

But wouldn't the old-time chimney sweep relish a job so high and handsome? Unhappily, there's no one now to praise his art. Their bones and brooms are dust these many years.

And gone with them is their famous advocate. Chimneys, too, it seems are becoming as obsolescent as the customs and manners of which Charles Lamb wrote with such appealing gusto. He knew soot when it was really soot.

♦ Seeing through Glass

THE gentleman who remarked that art is long, but the time of customers is short probably intended no irreverence to Mr. Longfellow's famous judgment. The distinction of the later appraisal is in its shrewd approach to the spirit of merchandise display. More detailed is the discussion of store fronts and store windows contributed by Frederick Kiesler in his work, "Contemporary Art Applied to the Store and its Display," published by Brentano's, New York. For it is after the potential customer has been halted that the display window must earn its space. "It has a duty to talk. To demonstrate. To explain. In short, to sell."

The accent and emphasis in display which halt the passerby and draw him to a nearer observation are only the

beginnings of the job of selling. These functions are elemental in the window's progress from service as "dead storage to an active loudspeaker that cries its wares," no less effectively if by dumb show.

As Mr. Kiesler views it, "the evolution of the show window is due to one fact: speed." For this reason, he says, "the show window is a modern method of communication" and, of course, "the special manner in which the display manager communicates his message reveals the measure of his art."

By way of enlarging this thought, Mr. Kiesler writes, "the show window is the most direct method of all methods by which the store owner can bring into contact passerby and merchandise. Selling through glass is becoming more and more important."

Where art is expected, it is economical to be wise, the reader is warned, for the author makes it clear that all is not art merely because it is *moderne*. The horrible examples are revealed with as much care as the good, the beautiful and the true. Certainly it is easy to agree with him that the eye is quicker than the ear—that the eye is the decisive evaluator, the sovereign counselor to the purse.

Nor is it the least of our national progress toward the esthetics of commerce that the old-time "window dresser" has advanced to recognition as "display manager."

♦ Bubbles Find a Use

MAN'S life is only a bubble, said the poet and let it go at that. More practical-minded, perhaps, the Forest Products Laboratory at Madison, Wis., has turned to bubble films for the solution of a problem affecting aviators.

The Navy Department wanted to know how much twisting the wing beam of an airplane can stand without breaking. The Laboratory proceeded on the basis of a discovery made by a German physicist. He had experimented with beams of different shapes. No matter what the cross section, whether it was square, triangular, oval, or what not, he found that if holes were made in a metal plate, corresponding exactly to the various cross-section areas of the beams, bubbles could be blown over the apertures, and the volumes of the air they held would be a direct measure of the twist resistance of the solid beams. By comparison of these bubble volumes, the laboratory worked out the twist resistance of each type of beam submitted by the Navy Department.



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"DITTO greatly improved our order system. Immediately we eliminated four distinct operations; saved the salaries of an order-checker, two typists, an order-tracer, and half a boy's time—\$3500 just in labor. Errors and returned goods due to illegible and wrong addresses are no more.*

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A Shopper Talks Shop

I WAS getting a facial in the Beauty Parlor of a San Francisco department store. The operator used a delightful cleansing cream. "I tried to get something like that downstairs," I commented, "and the girl at the counter recommended one much too heavy for my skin. A waste of \$2.50," I added bitterly.

"Yes, I know. We invited the girls selling cosmetics to come up once a week after hours to our demonstration classes so they could sell creams and lotions intelligently. But—can you beat it?—not one of them cared enough to come. As a result some of the best preparations have been taken away from them and given to us only. And the repeat sales went up 100%. You'd think they'd want to know how to help a customer get what she needs. It pays."

Which recalled to me the disgust and disappointment of a young trained nurse who had spent several hard-to-be-spared dollars on a face lotion. "It's much too strong for my skin," she despaired, "and only makes it blotchier. Why haven't those women any sense of responsibility about their trade? If one of them came to me for a burn, I wouldn't prescribe a mustard-plaster. I know my business—why shouldn't they know theirs?"

ABOUT three o'clock one Saturday afternoon I arrived in a small Western town to take possession of a housekeeping apartment. I hastened to the telephone and called a market that had been recommended. I stated that I wished to open an account for the period of my stay in town and should like an order of goods delivered before 6 P. M. if possible.

"Sorry, Madam. Our delivery left at two."

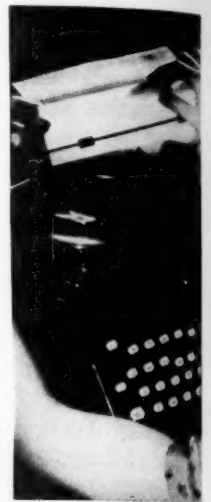
"But I have just arrived in town, and—tomorrow being Sunday—perhaps you could send it special—?"

"Sorry, Madam. Our delivery left at two."

"Then I shall have to try elsewhere—?"

"Sorry, Madam. Our delivery—"

I rang a rival concern and explained my need. "Our delivery left at two," a pleasant voice answered, "but in such a case, and if the order is large enough to warrant, we'll be glad to send it out special. Initial orders are apt to be



20 LEGIBLE CARBON COPIES AT ONE TYPING

TWENTY clean, legible carbon copies at one typing may sound like a miracle. But there is nothing miraculous about it when the paper used is Dexstar Manifold No. 5—the thinnest business writing paper made.

Dexstar Manifold No. 5 is revolutionizing duplicating work for business houses and professional people throughout the country. Of highest grade rag content, it is as sturdy as many papers twice its weight.

And Dexstar Manifold No. 5 is only one of a long line of fine thin business papers in a variety of weights—all the result of nearly a century of paper making—all of such quality they may be written on with pen and ink.

Write for information and samples of the various grades and colors.

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Paper makers since 1835.

large," she encouraged. "It is," I agreed, beginning: "Flour, sugar potatoes—"

The goods arrived promptly. And so did my considerable check at the beginning of each of six months arrive promptly at the office of the store with courtesy and "gumption."

THE old gentleman who called was so charming and so convinced that, though he didn't sell me a membership, I'm sure he will next time. And he'll be back.

He was so advanced in years—more than 75—and so courteous and cultured that I was curious.

"Oh—" he enlightened me with a twinkle, "I retired a few years ago with a small income, but I found I could use more, and I felt terribly old and dull sitting at home reading magazines. I like this. I like being with people. And it's on my own time. I can stop before I'm tired."

"But—you surely don't keep it up the year round?"

"No, ma'am! I've got a ranch out in Montana. I drive out in the old Ford in June to see how much money I've lost on the ranch—then drive back in September to make it up selling memberships."

SPEAKING of obsolescence! I've grown accustomed to the Book of the Month, the shoes of the month, and to the crime of wearing a "Twilight" stocking if the color for June is "Romance." But now—here comes the Cake of the Month! What with the uplifters monopolizing all the "weeks," and the advertisers pouncing on the "months," let the poor public look even to its moments.

LINDSAY'S Influence in the Colleges!

In a university town I looked up from my frosted chocolate into a vividly printed placard announcing:

COMPANIONATE SWEETS

70 cents a pound box.

You are entitled to a box for 70 cents with a dollar purchase of other—candy. Companionate Sweets is on sale all the time but is never sold alone.

CAUGHT in the long, sluggish line of an official reception one hears many a fragmentary conversation. For example—"Oh, Mrs. Worthington—how nice to see you again—I've been abroad practically all winter—is your husband with you?" "My husband? Oh, my dear, no. Why, he does absolutely nothing but sit in the bank and merge!"

—EDNA ROWE

YOUR DIRTY COMPETITOR DUST

DUST observes no rules of etiquette. It contaminates your product. It cripples your machinery. It spreads germs among your employees, your school children. It spoils stocks of material before you can turn them into merchandise. Dust is your most ruthless competitor. It is in your store, your plant, your school, your building, defeating your purposes. Thousands of business men, educators, architects and engineers have revolted against dust; have excluded it through the use of modern air filters.

There is no limitation to the use of modern air filters. A food manufacturer uses them to prevent bacterial contamination of his products. A store uses them to reduce upkeep costs, stock spoilage and to provide clean healthful air for



In Every City Air Filters Protect Stocks, Stores, Plants, Products, Machinery, Customers, Employees

employees and customers. In every city in the most progressive businesses, industries and public or semi-public buildings air filters are providing clean, dust-free, germ-free air. Modern air filters are applicable to your business, your interests. They are necessary to modern manufacturing and living conditions. AMERICAN AIR FILTER COMPANY, Incorporated, Central Avenue, Louisville, Kentucky.

Free Literature

Send for bulletins on the application of air filters to your uses. Mail the coupon today. No obligation.

American Air Filter Company, Incorporated, 154 Central Ave., Louisville, Ky.

Please send literature describing the applications of modern air filters. Use in which especially interested _____

Name _____
Street _____
City _____ State _____

AMERICAN AIR FILTERS

COMBINING THE PRODUCTS FORMERLY MANUFACTURED UNDER THE FOLLOWING TRADE MARKS:



When writing to AMERICAN AIR FILTER COMPANY, INCORPORATED please mention Nation's Business



Business World Wags" in July issue of NATION'S BUSINESS?

Certainly the failure of more than 5,000 banks, in the most prosperous and wealthiest country in the world, within so short a period of time, and embracing both acute depression and intense business activity, would in any other country long since have raised serious doubts as to both the intelligence and efficiency of the bankers and the economic soundness of the laws under which they are operating.

It is indeed encouraging to find from your columns that it has actually begun at last to jar the complacency of the banking fraternity itself!

Give the consumers and farmers of America sound banks throughout, and we can work out our own financial problems even without the subsidies upon which so many of our industrialists still believe they must be fed. No other agriculturist in the world has such a handicap of unsound banking as the one with which the American farmer has been cursed. It is his greatest economic inequality. This is real substance, the tariff is mostly camouflage and shadow; farm relief a grandiloquent gesture.

We are a proud, self-reliant people, too easily flattered, easy going, and not always careful to analyse in what and how we fail, especially when the halo of bunk is as thick as that surrounding the heads of our financial gods.

FRANCIS G. TRACY

Carlsbad, N. M.

♦ Chain and Papers

TO THE EDITOR OF NATION'S BUSINESS:

In your July issue the article, "My Town's Stores Need Merchants," by W. O. Saunders, Elizabeth, N. C. interested me very much.

If W. O. Saunders gets two more newspapers in his town and his business split up he will realize the situation of the independent merchants.

Through the overflow of chain stores throughout the country, the newspapers have benefited by the increased advertising.

There has been considerable agitation about the independent store's poor management of his business, but not so much has been said about the poor business judgment being used by the new chains.

L. J. STEIN

Michigan City, Indiana

♦ Business Women

TO THE EDITOR OF NATION'S BUSINESS:

I was particularly interested in the article by Catherine McNelis, "Where Men Need Women's Help in Business" and also the article following it by William Boyd Craig. When it is realized that such an enormous number of women are in responsible positions in business at the present time it can be readily seen that articles of this sort are most interesting and encouraging to those of us who have to do both a man's job and a woman's job in the world today.

Being a business woman, I say, "Let us have more of these articles."

BRYCIA G. WILLIAMS

The Secretarial Service Office,
New Bedford, Massachusetts

BUILD FOR NOW

but with an eye on the Future!



HAUSERMAN Movable Steel Partitions satisfy every present need. Modern in design and attractive in appearance, they create business settings of character and distinction.

But their greatest advantage is the way they provide for future contingencies. Instantly adjustable to changing demands, durable, strong, safe, they continue to effect economies long after plaster walls have been crumpled to dust and thrown away, long after wooden partitions have become splinters or have burned to embers. Hauserman Partitions are Permanent Assets.

New buildings equipped with Hauserman Partitions or old ones after immovable walls are replaced with these modern movable partitions, are rendered attractive and modern for many long years to come.

A phone call, letter, or wire to any of the branches below will bring a representative quickly—wholly without obligation, of course.

THE E. F. HAUSERMAN COMPANY

A nation-wide organization of Partition Specialists

6886 Grant Avenue

Cleveland, Ohio

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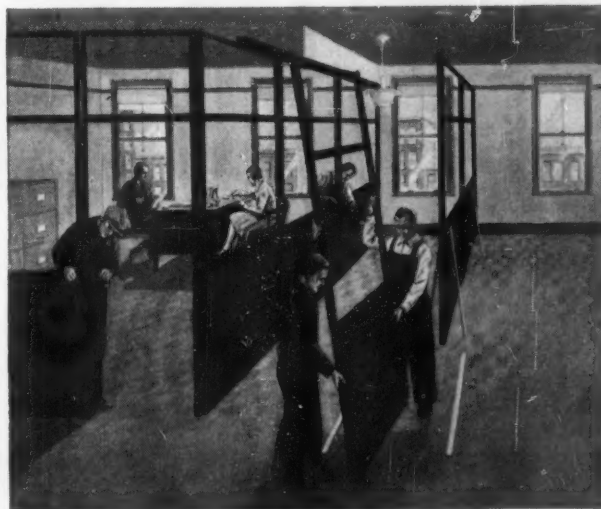
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"Office Planning Studies" is a collection of architects' drawings suggesting efficient layouts for units of various sizes. Send for your copy TODAY!



Hauserman Partitions are quickly, easily installed without interfering with business routine. There's no dirt, fuss, or confusion.

THE E. F. HAUSERMAN CO.
Cleveland, Ohio

Send me "Office Planning Studies"

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N B.—9-30

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MOVABLE STEEL

PARTITIONS

When writing to THE E. F. HAUSERMAN CO. please mention Nation's Business

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THIS is one of a series of editorials written by leading advertising men on the general subject of advertising

One Target—One Method For Both

MODERN merchandising demands sales and advertising aimed at the same target, with the same amount of pull on the bow-string and the same unerring accuracy of marksmanship.

There can be but one objective for both, namely, desired volume and satisfactory profit.

The advertising manager to-day, expert though he may be in the preparation of layout, copy, the purchase of art work, the arrangement of type and the other mechanics of printed salesmanship, is a misfit and a failure if he is without the merchandising sense and knowledge that keeps him in step with the sales organization.

The sales manager to-day who still looks upon selling as a game of wits with the buyer, who judges the effectiveness of his program by the number of calls made by his men, who still looks upon the advertising budget as a steal from his appropriation for sales expense and who does not appreciate and know how to use the printed word with the spoken word is also out of step.

The sales program of to-day must be based upon certain fundamental knowledge of product, of market, of buying habits and sales appeals. In this program provision must be made both for adequate personal effort and for adequate advertising. Both must be based upon the same fundamental knowledge and both must be aimed at the same target.

The sales manager must know how to convey the sales message to the prospect effectively through his salesmen by word of mouth. The advertising manager must know how to transmit that same sales message with equal effectiveness through the medium of type and illustration.

Personal sales work and advertising cannot be divorced in thought or application. There can be no misunderstanding, misapplication or undervaluation of either if a satisfactory sales job is expected.

W. W. FRENCH
Director of Publicity
Dodge Manufacturing Corporation
Mishawaka, Indiana